



BANKING SECTOR EDUCATION AND TRAINING AUTHORITY



higher education
& training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Annual Report 2024/25

A woman with long brown hair, wearing a light pink blazer over a white shirt, is seated at a desk in a modern office. She is clapping her hands together in front of her face, looking upwards with a joyful expression. On her left wrist, she wears a smartwatch with a white band. In the foreground, a silver laptop is open on the desk, and a pair of glasses rests on some papers. The background shows a glass-walled office environment with other desks and partitions.

BANK



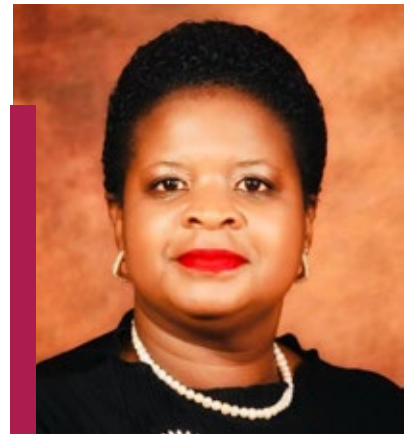
Minister of Higher Education
and Training

Mr Buti Kgwaridi Manamela



Deputy Minister of Higher Education
and Training

Dr Nomusa Dube-Ncube



Deputy Minister of Higher Education
and Training

Dr Mimmy Martha Gondwe

Mr Buti Kgwaridi Manamela
Department of Higher Education and Training
123 Francis Baard Street
Pretoria
0001

REPORT TO THE HONOURABLE MINISTER OF HIGHER EDUCATION AND TRAINING IN TERMS OF SECTION 10 (2) OF THE PUBLIC AUDIT ACT, 2004 (ACT NO 25 OF 2004)

Dear Honourable Minister,

In terms of the provision of Section 10 (2) of the Public Audit Act of 2004, it is an honour to submit the annual report for the financial year ended 31 March 2025.

This report presents the affairs of the Banking Sector Education and Training Authority (BANKSETA) its operations, financial performance and developments across all performance targets, set out with the Department of Higher Education and Training.

The Accounting Authority is responsible for the preparation of the BANKSETA annual report and for the judgments made in this information.

The BANKSETA team would like to thank you for the unwavering support we have received during the performance period under review. We look forward to another dynamic financial year with challenging targets to enhance the skills development and training of the sector we prudently serve.

Yours faithfully,

Mr Eubert Mashabane
Chief Executive Office and Accounting Authority

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PART A

General Information

Supporting the Growth of Small and Micro Enterprise

PUBLIC ENTITY'S GENERAL INFORMATION

Registered Name:	Banking Sector Education and Training Authority
Registered Number:	02/BANKING/1/04/20
Website:	www.BANKSETA.org.za
Tax-exempt Registration Number:	9277355229
VAT Registration:	VAT Exempt
External Auditors:	The Auditor-General of South Africa
The Bankers:	Nedbank Corporate Banking
Company Secretary:	Ms Candice Perumalsami
Telephone:	+27 11 805 9661
Publisher:	BANKSETA
Chief Executive Officer:	Mr Eubert Mashabane
ISBN:	978-0-621-52004-0

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LIST OF ACRONYMS

4IR	Fourth Industrial Revolution	LGSETA	Local Government SETA
5IR	Fifth Industrial Revolution	MBA	Master of Business Administration
AA	Accounting Authority	MIS	Management Information System
AB	Alternative Banking	MoA	Memorandum of Agreement
ARC	Audit and Risk Committee	MANCO	Management Committee
AFS	Annual Financial Statements	MoU	Memorandum of Understanding
AGSA	Auditor-General of South Africa	NDP	National Development Plan
APP	Annual Performance Plan	NSFAS	National Student Financial Aid Scheme
APR	Annual Performance Report	NEET	Not in Education, Employment or Training
ATR	Annual Training Report	NGOs	Non-Governmental Organisations
BANKSETA	Banking Sector Education and Training Authority	NQF	National Qualifications Framework
BASA	Banking Association South Africa	NSA	National Skills Authority
BBBEE	Broad Based Black Economic Empowerment	NSDP	National Skills Development Plan
CBDA	Co-operative Bank Development Agency	NT	National Treasury
CBO	Community Based Organisation	OD	Organisational Development
CEO	Chief Executive Officer	PFMA	Public Finance Management Act
CETC	Community Education and Training Colleges	PIVOTAL	Professional, Vocational, Technical and Academic Learning
CFI	Cooperative Financial Institution	PwD	Persons with Disabilities
CFO	Chief Financial Officer	QCTO	Quality Council for Trade and Occupations
DBSA	Development Bank South Africa	RMC	Risk Management Committee
DDM	District Development Model	RPL	Recognition of Prior Learning
DHET	Department of Higher Education and Training	SALGA	South African Local Government Association
EA	Executive Authority	SAQA	South African Qualifications Authority
EDP	Executive Development Programme	SARB	South African Reserve Bank
EE	Employment Equity	SARS	South African Revenue Service
EEP	Employment Equity Policy	SASBO	South African Society of Bank Officials
EEP	Employment Equity Plan	SCM	Supply Chain Management
ERRP	Economic Reconstruction and Recovery Plan	SDF	Skills Development Facilitator
EXCO	Executive Committee	SETA	Sector Education and Training Authority
FAISA	Financial Advisory and International Services Act	SLA	Service Level Agreement
FSC	Financial Services Code	SME	Small and Medium Enterprises
FSCA	Financial Sector Conduct Authority	SOE	State Owned Entities
GDP	Gross Domestic Product	SP	Strategic Plan
GRAP	Generally Recognised Accounting Practice	SSP	Sector Skills Plan
GSC	Governance and Strategy Committee	TETA	Transport Education Training Authority
HEI	Higher Education Institution	TVET	Technical and Vocational Education and Training
HR	Human Resources	UoT	Universities of Technology
HRIS	Human Resource Information System	WBL	Work Based Learning
HRMS	Human Resources Management System	WIL	Work Integrated Learning
HWSETA	Health and Welfare SETA	WSP	Workplace Skills Plan
ICT	Information and Communications Technology		
ISA	International Standards on Auditing		
IT	Information Technology		

ABOUT THIS REPORT

The framework for this annual report applies the principles of sustainability reporting espoused by the King IV Code on Corporate Governance.

The annual report measures, discloses and accounts to internal and external stakeholders on organisational performance. The report is a comprehensive narrative on institutional strategies to achieve the SETA's legislated mandate, financial information, risk reporting and institutional governance framework.

Reporting Period

BANKSETA is guided by its legislated mandate, the Public Finance Management Act (No 29 of 1999) and Treasury Regulations, and its reporting period for the 2024/25 financial year is in line with these.

Annual Financial Statements for the 2024/25 Financial Year

The Annual Financial Statements have been prepared on the historical cost basis and in accordance with the standards of Generally Recognised Accounting Practice (GRAP).





Ms Nosipho 'Mia' Makhanya
BANKSETA Board Chairperson

Board Chairperson term until 31 March 2025

CHAIRPERSON'S FOREWORD

The banking sector demonstrated stability and adaptability during 2024 despite persistent economic headwinds

It is with great pride and a deep sense of responsibility that I present the Chairperson's Statement for the BANKSETA's Accounting Authority Report for the 2024/25 financial year. This has been a year marked by resilience, adaptation, and a renewed focus on our core mandate in advancing skills development within the South African banking and alternative banking sectors while contributing meaningfully to the national skills agenda.

The banking sector demonstrated stability and adaptability during 2024 despite persistent economic headwinds. Moderating inflation, a stabilising interest rate environment, and prudent fiscal policy have supported modest economic recovery. Banks continued to play a critical role in enabling credit flows, digital transformation, and financial inclusion, ensuring that businesses and households remained supported in the face of challenging market conditions. Regulatory compliance and governance standards remained strong, ensuring the sector's credibility both locally and internationally.

Our government, through the Department of Higher Education and Training (DHET), has reinforced its commitment to building a capable, ethical, and skilled workforce. The focus on enhancing technical and vocational education, addressing youth unemployment, and aligning skills provision with economic priorities resonates deeply with the BANKSETA's mission. We have aligned our programmes with the National Skills Development Plan (NSDP), the Economic Reconstruction and Recovery Plan (ERRP), and the Post-School Education and Training (PSET) system priorities.

The past year has been a period of significant transformation within the Post-School Education and Training (PSET) sector, and the BANKSETA has remained steadfast in fulfilling its mandate. Guided by the strategic direction set by our Board and the priorities outlined by the Department of Higher

Education and Training (DHET), we have pursued innovative, impactful, and inclusive programmes to strengthen the skills pipeline that underpins economic growth and transformation.

HIGH-LEVEL OVERVIEW OF THE BANKSETA'S STRATEGY

Our strategy continues to be anchored on enabling a capable and ethical banking sector workforce through:

- The development of scarce and critical skills aligned to the sector's needs;
- Fostering inclusive access to learning and work-based opportunities;
- Promoting transformation through targeted interventions for youth, women, and persons with disabilities; and
- Strengthening collaborative partnerships to leverage impact and resources.

During this period the board has reflected on its five-year strategy from 2020–2025 strategic period, the organisation reflects institutional resilience, improved governance, and a strong commitment to transformation and skills development in the banking and alternative banking sector. While challenges remain in structural design, monitoring systems, and inclusivity, the organisation is well-positioned to consolidate gains and deepen impact in its next strategic cycle.

This strategy is underpinned by the National Skills Development Plan (NSDP) and the Human Resource Development Strategy for South Africa, ensuring that BANKSETA contributes meaningfully to the national skills agenda.

During the reporting period, BANKSETA achieved an overall performance of 84%, an improvement from the 80% recorded in the previous year. This positive trajectory reflects the Board's strategic direction, the dedication of management, and the commitment of our partners to delivering impactful skills development programmes. Our medium- to long-term strategy focuses on strengthening sector-specific skills, expanding access to training opportunities, and fostering inclusive participation in the financial services industry.

STAKEHOLDER ENGAGEMENT

Stakeholder relationships remain the cornerstone of our success. During the year under review, we have deepened our collaborative efforts with key stakeholders, including DHET, the banking and alternative banking sector, institutions of higher learning, organised labour, training providers and other SETAs. These partnerships have enabled us to design responsive programmes, increase work-integrated learning opportunities, and ensure that our interventions are aligned with both industry and national priorities.

During the year, the Board operated in an increasingly complex environment, balancing sector demands with fiscal constraints and evolving regulatory requirements. Notably, the Board had to address governance and compliance risks identified in the audit process, as well as navigate operational disruptions stemming from macroeconomic volatility and changes in the PSET policy landscape. These challenges required decisive leadership, transparent communication, and enhanced oversight mechanisms.

While the organisation achieved notable milestones, I am pleased to report that BANKSETA has once again achieved an unqualified audit opinion from the Auditor-General of South Africa. This reflects our commitment to sound financial management, compliance with legislative requirements, and the responsible stewardship of public funds. Strengthening our internal control environment and enhancing the accuracy, reliability, and timeliness of reporting will be a key governance priority going forward.

THE ORGANISATION STRATEGIC FOCUS

Having achieved an unqualified opinion, the organisation continues to strive towards achieving clean audit. BANKSETA's strategic focus will be to:

- Expand access to priority skills programmes that prepare youth for the future of work;
- Integrate digital transformation into learning and training platforms;
- Build capacity in areas of governance, compliance, and financial management;
- Strengthen rural and underserved community interventions; and
- Enhance monitoring and evaluation to ensure maximum return on investment for our stakeholders.

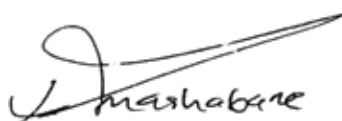
These priorities will ensure that BANKSETA remains responsive, sustainable, and impactful in delivering on its mandate over the medium to long-term period.

BANKSETA has played a pivotal role in strengthening the PSET system by facilitating bursaries, learnerships, and internships programmes that are responsive to both industry and national economic needs. Our initiatives continue to bridge the gap between education and employment, contributing to a more inclusive, skilled, and competitive workforce.

ACKNOWLEDGEMENTS AND APPRECIATION

On behalf of the board, I would like to extend my sincere gratitude to the former Honourable Minister of Higher Education and Training, Dr Nkabane for her leadership and unwavering support. My appreciation also goes to my fellow Board members for their strategic oversight, Mr Mashabane, the CEO for his operational leadership, our stakeholders for their invaluable partnerships, the Auditor-General for constructive engagements, and most importantly, the dedicated BANKSETA staff whose commitment and professionalism drive our success.

In conclusion, the BANKSETA remains committed to building a skilled, inclusive, and adaptable workforce for the financial sector. Through collaboration, innovation, and accountability, we will continue to contribute meaningfully to South Africa's socio-economic development.



Mr Eubert Mashabane
OBO of the Accounting Authority



Mr Eubert Mashabane
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S REVIEW

Our organisational performance improved significantly to 84%, driven by strategic planning, stakeholder collaboration, and a focus on impact delivery.

It gives me great pleasure to present the Annual Report for the Banking Sector Education and Training Authority (BANKSETA). The year 2024/25 has been both challenging and transformative as we navigated a shifting national, economic, and skills development landscape while continuing to deliver on our mandate with integrity and purpose.

GENERAL FINANCIAL REVIEW

BANKSETA continued to enjoy the support of the sector in the form of improved business performance and stable employment trends translating into increased skills development levy collections. Development Levy collections increased to R1,146 million, reflecting a marginal 4% increase from the previous reporting period of 2023/24.

Performance on our strategic targets rose to 84%, an increase of 4% from the previous reporting period. This performance was driven largely by an increase in programmes targeting unemployed people. Across the categories of employed and unemployed youth participating in our training programmes represented 52% and 99% respectively, affirming the sector's goal to build a pipeline of future skills in the banking and alternative banking sector.

BANKSETA continued to maintain a Mandatory grant claims ratio above 97% for employers who met qualifying criteria of payment of skills development levies, submission of workplace skills plans and annual training reports. As alluded to earlier this level of compliance supports the strategic objectives of the BANKSETA through a sustainable flow of skills development levy income.

Discretionary grant expenditure continues to lag budget projections. Our Discretionary grant expenditure showed a decline of 20% when compared to the 2023/24 period. This was driven mainly by programmes targeting the sector workers. We saw a decline in performance across programmes such as bursaries, learnerships and skills programmes. A portion of grants initially allocated to these programmes had to be written back to the pool of discretionary grant reserves due to lower utilization rates. BANKSETA will engage the sector and provide additional implementation support to improve programme completion rates.

SPENDING TRENDS OF THE PUBLIC ENTITY

BANKSETA spending is guided by legislation whereby 20% of the sector's levies are allocated the National Skills Fund and the remaining 80% is spent by BANKSETA as follows.

- 20% on mandatory grants for qualifying levies paying employers in the sector.
- 10.5% on administration expenses of the SETA including contributions to the functions of the QCTO.
- 49.5% on discretionary grants to support various goals of the National Skills Development Plan as

We paid out R278 million in mandatory grants, an increase of 7% to last year's R258 million to qualifying employers representing claims ratio of 97% and maintained the legislated 10.5% of administration expenses allowed. BANKSETA spending on discretionary grants declined to R679 million representing a 20% decline from the 2023/24 figure of R883 million.

Cash and cash equivalents at year end increased by 13% to R1,185 million (R1,043 million in 2023/24) consistent with lower than projected spending on our discretionary grants. This position is unfavorable for the BANKSETA as the entity planned higher utilization of its reserves.

Our net surplus of R165 million against a deficit of R29 million in the previous year indicates challenges in spending our annual income. BANKSETA is addressing these challenges through engagement with sector stakeholders and revised grant processes.

CAPACITY CONSTRAINTS AND CHALLENGES FACING THE PUBLIC ENTITY

The BANKSETA Board has approved a revised organogram and operating model that will see the entity increasing monitoring of projects and implementation support. This will involve devolution of monitoring functions to provincial offices as opposed to the current model centralized at head office level. This will see the entity activating an additional regional office in KwaZulu Natal as well establishing satellite offices in other provinces through partnerships with Post School institutions such as universities, TVET and CET colleges. This effort will see our staff improve by increasing the current levels of 72 employees to around 94 with the necessary adjustment to our administrative expenses.

Lower project completion and grant utilization rates among stakeholders continue to weigh in on our ability to maintain acceptable levels of commitments and discretionary grant expenditure.

NEW OR PROPOSED KEY ACTIVITIES

The 2024/25 financial year marked the final year of the 2020-2025 Strategic Plan for which BANKSETA achieved remarkable progress on its strategic objectives. Among the key insights from the from the End-Term evaluation of this Strategy is the need for BANKSETA to consider the following in support of its current programmes

- (a). Operationalize a dedicated Monitoring and Evaluation unit and scaling up data-driven decision making to ensure impactful delivery of skills development
- (b). Expand technical support to small firms to strengthen the quality of WSP submissions
- (c). Strengthen delivery partnerships for entrepreneurship and enhance outreach for rural/underserved areas
- (d). Improving the completion rates by tracking learner progression through the M&E unit

BANKSETA looks forward to enhancing current activities or developing additional ones to implement the above recommendations.

As we transition into the next Strategic Plan (2025-20230), we take note of key policy development and directives of the Seventh Administration. Key among them are the outcomes expressed in the Medium-Term Development Plan. BANKSETA has already aligned its planning documents to address the following outcomes

- (a). Strategic Priority 1: Inclusive growth and job creation
- (b). Strategic Priority 2: Reduce Poverty and tackle the high cost of living

BANKSETA planning will also include a process of consolidation at output indicator level to ensure continuity of some indicators from the outgoing Strategic Plan as some learning interventions are yet to be completed.

SUPPLY CHAIN MANAGEMENT/ DISCRETIONARY GRANT DISBURSEMENTS

Under the guidance of the Board, management continued to maintain adequate systems of internal control to ensure compliance with all prescripts of Supply Chain. This resulted in the entity achieving zero instances of non-compliance in the supply chain. Instances of fruitless and wasteful expenditure were identified in our Discretionary Grants area where a review indicated that some stakeholders awarded training contracts misrepresented facts about training work done. As a result, BANKSETA identified and disclosed fruitless and wasteful expenditure amounting to R23 million. BANKSETA has reported these matters to the relevant law enforcement authorities and is implementing measures to recover the lost funds.

BANKSETA did not award any unsolicited bids during the year under review. Where procurement has occurred through other means, the matters were sufficiently motivated, reported to National Treasury and disclosed in the annual report.

AUDIT REPORT MATTERS

BANKSETA continued to implement internal control measures to address issues identified in the previous audits. The Audit and Risk Committee continued to provide oversight into the implementation of audit action plans and improved internal controls. This resulted in improvement in the main areas of audit, namely Financial Statements, Annual Performance Report and Compliance with Legislation.

The BANKSETA thus received an unqualified audit report from the Auditor-General of South Africa. This achievement reflects the commitment of management to remain disciplined by ensuring internal controls achieve the desired outcome. The audit however found us wanting in the areas of performance information and expenditure management following the instances of fruitless and wasteful expenditure as disclosed in the annual report.

Over and above reporting matters relating to criminal conduct to law enforcement authorities, management will be implementing additional controls in the form of increased due diligence to some of the stakeholders applying for our discretionary grants. Grant disbursement mechanisms will also be structured to be performance based and to include closer monitoring of expenditure and training delivery.

FUTURE OUTLOOK

The banking sector continues to evolve to keep up with the technological developments underpinning business processes in the sector. Our Sector Skills Plan shows the emergence of hard-to-fill positions that banks continue to find challenging to fill. In the year under review BANKSETA also commenced with the process of reviewing some of the qualifications to ensure they remain relevant to the needs of the sector.

The sector remains resilient in the face of slow or flat economic growth with stable employment numbers despite the threat of digitization. Our assessment is that the sector will continue to support the work of the BANKSETA through skills development levies as well as stronger partnerships for project delivery.

We move forward with determination, drawing lessons from the past year to strengthen our systems and build a more resilient and transparent organization. BANKSETA remains committed to delivering on its mandate and sustaining the trust placed in us by all our stakeholders.

As we welcome the incoming Strategic Plan for 2025-2030, we remain confident that lessons learned from the previous strategy will help us navigate the future better. We remain cognizant of the mandates and expectations of the current administration (the Seventh Administration) on entities of government to play a more significant role in the implementation of the Medium-Term Development Plan. To this end we will continue to forge partnerships with our counterparts in government to ensure we play our part in growing an inclusive economy.

EVENTS AFTER THE REPORTING DATE

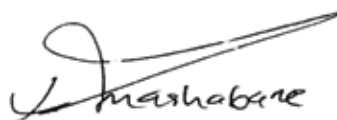
The term of the Board ended on the 31st of March 2025 and processes to appoint a new Board have not been concluded. As an interim measure functions of the Board were delegated to the Chief Executive Officer by the Minister of Higher Education and Training. The outgoing Board also extended the term of the Audit and Risk Committee (ARC) until 30th September 2025. With assistance from ARC and other management committees, the CEO continues to maintain appropriate governance oversight, risk management and control at the BANKSETA.

ACKNOWLEDGEMENT AND APPRECIATION

BANKSETA appreciates the guidance of the Minister, colleagues from the Departments of Higher Education and Training, National Treasury and Department of Planning Monitoring and Evaluation for their continued support throughout the year. We appreciate the support and guidance from the Auditor General throughout the reported period.

I acknowledge the support received from the outgoing Board Chairperson and members of the Board and appreciate the commitment of time and energy to the business of the BANKSETA. Our various partner stakeholders also played a key role in enabling the BANKSETA performance recorded in this report.

A big thank you to staff of BANKSETA for remaining devoted to their tasks to ensure timely and effective delivery of operational plans. Our journey is far from finished and I trust BANKSETA can count on you as it embarks on the next delivery challenge



Mr Eubert Mashabane
Chief Executive Officer

STATEMENT OF RESPONSIBILITY AND CONFIRMATION OF ACCURACY OF THE ANNUAL REPORT

To the best of my knowledge and belief, I confirm the following:

All the information and amounts disclosed in the annual report are consistent with the annual financial statements audited by the Auditor-General of South Africa. The annual report is complete, accurate and free from any omissions. The annual report has been prepared in accordance with the guidelines on the annual report as issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 as amended, including any interpretations of such standards issued by the Accounting Standards Board, applicable to the public entity.

The Accounting Authority is responsible for the preparation of the annual financial statements and for the judgments made in this information. The Accounting Authority is responsible for establishing and implementing a system of internal control and has been designed to provide reasonable assurance as to the integrity and reliability of the performance information, the human resources information and the annual financial statements.

The external auditors are engaged to express an independent opinion on the annual financial statements. In our opinion, the annual report fairly reflects the operations, the performance information, the human resources information and the financial affairs of the public entity for the financial year ended 31 March 2025.

Yours faithfully



Mr Eubert Mashabane

Chief Executive officer and Accounting Authority

STRATEGIC OVERVIEW



Vision

To be Recognised as a centre of excellence and innovation for human resource development in the banking and alternative banking sector.



Mission

To support transformation and people development and, through partnerships, enable stakeholders to advance the national and global position of the broader banking and alternative banking sector.



Our Corporate Values

- **Respect** – the way we treat all people;
- **Innovation** – we strive to constantly up our game;
- **Stakeholder focus** – we strive to consistently improve our offerings;
- **Professionalism** – we benchmark against the best;
- **Diversity** – a strength that binds us;
- **Integrity** – we act accordingly and encourage reciprocity; and
- **Teamwork** – in providing service to our stakeholders, we work as one.

Legislative and Other Mandates

The BANKSETA is established in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended by Act 26 of 2011 and operates within the following mandates:

Constitutional Mandate

The BANKSETA's mandate is informed by the Constitution of the Republic of South Africa, 1996 (Act No. 108 of 1996). The sections that guide the operations of the BANKSETA include the following:

- Promoting and maintaining high standards of ethics;
- Providing service impartially, fairly, equitably and without bias;
- Utilising resources efficiently and effectively;
- Responding to people's needs; stakeholders are encouraged to participate in policy-making; and,
- Rendering an accountable, transparent, and development-oriented administration.

Legislative Mandates

The BANKSETA is established in terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended by the Skills Development Amendment Act, 2011 (Act No. 26 of 2011), operates within the following legislative and policy mandates:

- Skills Development Levies Act, 1999 (Act No. 9 of 1999)
- Regulations published in the Government Gazette, No. 35940, 03 December 2012 regarding Monies Received by a SETA and Related Matters (updated by NT Circular 15 2017 which set aside Regulation 3(12) to send uncommitted surpluses to NSF) and Policy Mandates
- National Qualifications Framework Act, 2008 (Act No. 67 of 2008)
- Public Finance Management Act, 1999 (Act No. 1 of 1999)
- Employment Equity Act, 1998 (Act No. 55 of 1998)
- Promotion of Access to Information Act, 2000 (Act No. 2 of 2000)

The BANKSETA aligns its skills development activities to the National Skills Development Plan (NSDP) goals, the National Development Plan, Government's 9-point plan and the State of the Nation Address. Sectoral Strategies are also important to skills planning. The Financial Inclusion Strategy, Regulation and the Financial Services Code, are also important strategies impacting skills planning for the banking sector. The main drivers of transformation in the financial sector have been the Financial Sector Code (FSC) and the Broad-Based Black Economic Empowerment Act (B-BBEE). The National Skills Development Plan has provided the framework for all BANKSETA targeted interventions and is aimed at achieving a skilled and capable workforce that contributes to and shares in the benefits and opportunities of economic expansion and an inclusive growth path.

The Strategy is aimed at increasing access to high quality and relevant education and training and skills development opportunities, including workplace learning and experience, to enable effective participation in the economy by all South Africans.

OUR MANDATE

In terms of the Skills Development Act, 1998 (Act No. 97 of 1998) as amended by the Skills Development Act Amendment Act, 2011 (Act No. 26 of 2011), within the NSDP framework, BANKSETA is mandated to develop skills in the banking and alternative banking sector. It does so by:

- Promoting efficient and effective governance and administration;
- Increasing access to occupationally directed programmes;
- Supporting career development services;
- Implementing the sector skills plan (SSP);
- Approving workplace skills plan (WSP);
- Establishing learning programmes;
- Linking education and the workplace;
- Improving the level of skills in the South African workforce;
- Providing skills development support for entrepreneurship and cooperative development;
- Identifying and increasing production of occupations in high demand;
- The identification of priority skills in the sector through a credible skills planning process;
- The distribution of mandatory grants to qualifying registered companies;
- The distribution and management of discretionary grants that will benefit the sector at large as well as beneficiaries within the sector;
- The implementation of quality assurance processes that will enhance and ensure quality provision of training that falls within the scope of the BANKSETA;
- Supporting the implementation of applicable national strategic objectives as identified in the National Skills Development Plan (NSDP);
- Promoting transformation as guided by the NSDP equity targets of 85% black, 54% female and 4% People with Disabilities (PwDs); and
- Allocating grants in the prescribed manner to employers and education and training providers.

Our Guiding Principles

- Leverage skills levy funds for the strategic benefit of the banking and alternative banking sector;
- Provide quality-assured, world-class skills training services at the lowest cost;
- Deploy leading-edge technology;
- Judiciously carry out the NSDP mandate; and
- Maintain status as a preferred human resources development partner in the banking and alternative banking sector.

Strategic Focus Areas

The BANKSETA has identified the following five strategic focus priorities in terms of which relevant projects are implemented:

- Technology, Digitalisation and Innovation;
- Compliance and Risk Management;
- Management and Leadership Development;
- Markets, Products and Services; and
- Customer Centricity.

Institutional Policies and Strategies over the Ten Year Planning Period (2020-2030)

The BANKSETA's implementation will be guided by the following policies and strategies:

- National Development Plan;
- National Skills Development Plan; and
- National Skills Accord.



Sector Skills Plan Focus Areas

The functions of the BANKSETA under the Skills Development Act as outlined in its Constitution include the following:

- Develop a SSP within the framework of the National Skills Development Plan for the BANKSETA;
- Implement the SSP by:
 - approving WSPs;
 - establishing learning programmes;
 - allocating grants in the prescribed manner to employers, education and training providers and employees; and
 - monitoring education and training in the sector.
- Promote workplace-based learning by:
 - identifying workplaces for practical work experience;
 - supporting the development of learning materials;
 - improving the facilitation of learning; and
 - assisting in the conclusion of learning programme agreements.
- Disburse the skills development levies in the banking and alternative banking sector in terms of the Act and the Skills Development Levies Act;
- Liaise with the National Skills Authority as well as other SETAs;
- Report to the Director-General on the implementation of its sector skills plan and its income and expenditure;
- Liaise with employment services of the Department of Employment and Labour, and any educational body established in terms of educational laws of South Africa to improve the quality of information about employment opportunities; and between education and training providers and the labour market;
- Appoint office bearers and staff necessary for the performance of its functions;
- Facilitate the involvement of the relevant government departments in the activities of the Authority to:
 - address the competency requirements for social delivery;
 - address the learning needs of the most vulnerable segments of the sector;
 - promote training SMEs to enable them to qualify for public contracts.
- Perform any other duties imposed by the Act or any other function not specifically mentioned, to fulfil the objectives of the BANKSETA and the Act;
- Notwithstanding the above functions and objectives, the Authority must at all times give effect to the purposes of the Act, being:
 - to develop the skills of the South African workforce;
 - to increase the levels of investment in education and training in the labour market and to improve the return on that investment;

- to encourage employers.

- To use the workplace as an active learning environment;
- To provide employees with opportunities to acquire new skills;
- To provide opportunities for new entrants to the labour market to gain work experience;
- To improve the prospects of persons previously disadvantaged by discrimination and to redress those advantages through training and education; to ensure the quality of education and training in and for the workplace;
- To provide and regulate employment services;
- To provide opportunities for new entrants to the labour market to gain work experience; and to encourage workers to participate in learning programmes and other training programmes;
- To assist:
 - work-seekers to find work;
 - retrenched workers to re-enter the labour market;
 - employers to find qualified employees.
- To forge links with stakeholders and bodies in the banking sector;
- Account for the effective and efficient use of public monies received from levies collected from employers in line with the provisions of the Public Finance Management Act; and
- Report to the Minister through the Director- General of the Department on matters related to the BANKSETA.

Annual Performance Plan (APP) Focus Areas

The APP presents four programmes through which the BANKSETA will deliver interventions against and these are:

- Administration
- Skills Planning
- Learning Programmes
- Quality Management

The programmes have within them measurable indicators and targets in response to the achievement of goals within the National Skills Development Plan as well as the sector skills needs as outlined in the sector skills plan (SSP) and the strategic plan (SP). It also provides the baselines from previous years to use as measurements for programme success. The targets set in each of the programmes are against budget allocations.

BANKSETA TRANSFORMING LIVES

BANKSETA EMPOWERING ENTREPRENEURS THROUGH DIGITAL TECHNOLOGY



Small businesses are the backbone of South Africa's economy and with the right support they can thrive, innovate and create sustainable growth. BANKSETA's Entrepreneur Digital Technology Programme is designed to do exactly that, equipping entrepreneurs with the skills, knowledge and confidence to succeed in a competitive market.

One inspiring example is Priscilla, the founder of Mufulere Shisanyama, a food service business in Castile. Priscilla identified a gap in the local market: employees in a nearby complex had limited lunch options and passersby lacked convenient, quality meals. Seizing the opportunity, she launched her Shisanyama, offering a variety of dishes including pork, beef, chicken, fish and sides such as pap and Gorda popcorn. Today, her business thrives, serving both individual customers and corporate catering clients.

Through BANKSETA's programme, Priscilla gained practical skills in financial management, customer engagement, social media marketing and business operations. These insights transformed her business approach, helping her streamline operations, manage stock efficiently and introduce systems that improved customer service. One notable impact was the ability to secure funding and brand her business effectively, opening doors to corporate catering contracts with organizations like Cashbuild and Bushbuckridge District.

BANKSETA's initiatives go beyond training, they empower entrepreneurs to turn challenges into opportunities, strengthen communities and contribute meaningfully to economic growth. By equipping small business owners with the tools to innovate, adapt and scale, BANKSETA continues to drive positive change in South Africa's entrepreneurial landscape.

Through the Entrepreneur Digital Technology Programme, BANKSETA strengthens South Africa's entrepreneurial ecosystem by developing capable, resilient, and growth-focused businesses. By combining skills development, practical support, and access to funding, the programme positions entrepreneurs to compete effectively, innovate continuously, and contribute meaningfully to economic growth.



ORGANISATIONAL STRUCTURE

EXECUTIVE MANAGEMENT



Mr Eubert Mashabane
Chief Executive Officer



Ms Beaula Dziruni
Chief Financial Officer



Ms Christine Jonck
General Manager: Operations



Dr. Lefaso Motsoeneng
Acting GM: Corporate Services

ORGANISATIONAL STRUCTURE

Departmental Management



Mr Brian Dhlwayo
Manager: Project Management Office



Dr Tsietsi Raleting
Manager: Information Technology



Ms Elelwani Netshituni
Regional Manager: Limpopo & Mpumalanga



Mr Marvelous Mokome
Manager: Risk & Compliance



Mr Rapula Sathekge
Manager: Supply Chain Management



Mr Rashaad Shamsodeen
Head: Internal Audit



Mr Sfiso Dimba
Manager: Youth Development



Mr Shaun Starr
Manager: Alternative Banking



Mr Similo Dlamini
Manager: Work Integrated Learning and Bursaries



Mr Vuyani Ntanjana
Head: Research & Strategy



Ms Candice Perumalsami
Company Secretary



Ms Dimpho Phungwayo
Manager: Quality Management



Dr Lefaso Motsoeneng
Manager: Human Resources



Madeleine Pelzer
Manager: Skills Development



Ms Nobuzwe Mangcu
Regional Manager: Eastern Cape and Western Cape



Sipho Makgaba
Manager: Marketing and Communications



Ms Tendai Sithole
Manager: Finance



Ms Sally Mangubewa
Manager: CEO Office

Mr Shaun Starr - Manager Alternative banking resigned on 31 March 2025
Ms Tendai Sithole - Manager Finance resigned 13 February 2025
Ms Madeleine Pelzer - Manager Skills Development resigned on 30 November 2024





PART B

PERFORMANCE INFORMATION

Supporting the Growth of Small and Micro Enterprise

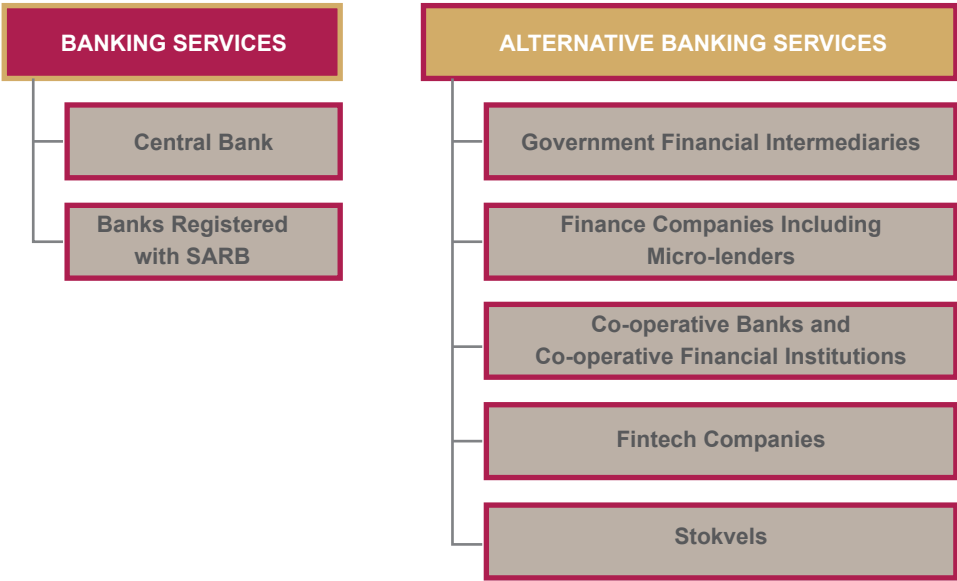
OVERVIEW OF THE PUBLIC ENTITY’S PERFORMANCE

Auditor’s Report: Predetermined Objectives

The AGSA/auditor currently performs the necessary audit procedures on the performance information to provide reasonable assurance in the form of an audit conclusion. The audit conclusion on the performance against pre-determined objectives is included in the report to management, with material findings being reported under the Predetermined Objectives heading in the Report on other legal and regulatory requirements section of the auditor’s report.

Service Delivery Environment

BANKSETA’s service delivery environment consists of a range of stakeholders in the banking and alternative banking industry. The figure below illustrates the different institutions forming part of our service delivery environment:



Organisational Environment

During the year, the following marked the BANKSETA’s organisational environment:

- Organisational design study in progress;
- MIS that started in the financial year;
- Review and streamline of processes; and
- Earlier procurement and opening of funding windows

Key Policy Developments and Legislative Changes

There have not been any major policy or legislative changes that had an impact on service delivery during the period under review.

ACHIEVEMENT OF INSTITUTIONAL IMPACTS AND OUTCOMES

The BANKSETA Strategic Plan for the period 2020 to 2025 has planned for the following ten institutional outcomes over a five-year period:

Outcome	Outcome choice rationale	Provincial Priorities	Priorities of women, children and people with disabilities	Explanation of enablers to achieve the five year targets	Outcome Contribution to the impact	The Monitoring Framework for the NDP Five Year Implementation Plan
An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	Governance and Accountability	N/A	Women: 58% Blacks: 75% Disabled: 4%	Compliance with all organisational and national policies (PFMA and Supply Chain) Effective Risk Management	Progressive realisation of the BANKSETA outcomes as they relate to NDP and NSDP.	The outcome contributes to Governance and Accountability of the NDP Implementation Plan
A credible sector skill planning mechanism that identifies relevant skills priorities to meet the labour market demands for the banking and alternative banking sector	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships	Relevant skills development programmes. This is in line with the NSDP outcome 4.1.	The outcome contributes to Medium Term Development Planning of the NDP Implementation Plan
	I					
Occupation based qualifications registered through QCTO is available to the sector	Access to Occupation based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational shortages and skills gaps	This outcome contributes to Improving Education, Training And Innovation of the NDP
Quality management of training provision against legacy qualifications	Access to occupation based qualifications registered through QCTO	N/A	N/A	Strategic partnerships and robust engagement with stakeholders	Relevant occupations that address occupational	This outcome contributes to Improving Education, Training And Innovation of the NDP
Linking Education to Workplace	Improving Education, Training and Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 70%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes. This contributes towards the MTSF outcome of Expanded Access To PSET Opportunities and the Skills Strategy for the ERRP	This outcome contributes to Improving Education, Training And Innovation of the NDP
Support career development services	Improving Education, Training and Innovation	N/A	N/A	Cutting edge SSP Research, robust Stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers) partnerships	Relevant careers for skills development	This outcome contributes to Improving Education, Training and Innovation of the NDP

Outcome	Outcome choice rationale	Provincial Priorities	Priorities of women, children and people with disabilities	Explanation of enablers to achieve the five year targets	Outcome Contribution to the impact	The Monitoring Framework for the NDP Five Year Implementation Plan
Improving the level of skills in the banking and alternative banking Workforce	Improving Education, Training And Innovation	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 70%	Cutting-edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant skills development programmes. This contributes towards the MTSF outcome of Expanded Access to PSET Opportunities and the Skills Strategy for the ERRP	This outcome contributes to Improving Education, Training and Innovation of the NDP
Skills development support for entrepreneurship and cooperative development	Improving Education, Training and Innovation Inclusive Rural Economy	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 50%	Cutting-edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Booming Entrepreneurial skills that boost the economy	This outcome contributes to Improving Education, Training and Innovation Inclusive Rural Economy of the NDP
Identify and increase the production of occupations in high demand	Improving Education, Training and Innovation Economy And Employment	N/A	Women: 54% Blacks: 85% Disabled: 4% Youth: 70%	Cutting edge SSP Research, robust stakeholder engagement and strategic partnerships (TVETs, UOTs, HEIs, Employers)	Relevant occupations that address occupational shortages and skills gaps. This contributes	The outcome contributes to Improving Education, Training and Innovation

INSTITUTIONAL PROGRAMME PERFORMANCE INFORMATION

Programme 1: Administration

2.1 Purpose of Programme1:

The administrative function provides leadership, strategic management and administrative support to all activities of the BANKSETA ensuring effective engagement with all stakeholders.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements



ANNUAL PERFORMANCE REPORT FOR THE PERIOD 1 APRIL 2024 TO 31 MARCH 2025

Draft APR 2024/2025									
Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Programme 1: Administration	An efficient and effective SETA that complies with legislation, policy and good corporate governance principles	SETA Good Governance Reports submitted	1.1 Quarterly SETA Good Governance Report Submitted	Not Applicable	4	4	4	0	Not applicable
		Stakeholder Satisfaction Index	1.2 Stakeholder Satisfaction Index	4.1	3.9	3.5	3.74	0.24	This indicator was achieved, exceeding slightly with 0.24. However BANKSETA has identified the weak areas and will put plans in place to improve on the achievement in the coming years.
		Implementation of the ICT Strategy	1.3 Percentage implementation of the ICT Strategy	Not Applicable	Not Applicable	65.0%	68.0%	3.0	The implement of the ICT strategy was prioritised which resulted in the target being slightly exceeded
		Audit outcome	1.4 Audit outcome	Qualified Audit	Unqualified audit outcome achieved	Clean audit outcome	Unqualified with findings	The target was not achieved	Despite an improvement in the audit outcome, Finding related to performance information in the AOPO prevented a clean audit outcome
		Mandatory Grants claimed	1.5 Percentage of Mandatory Grants Claimed	97.7%	97.3%	97.0%	97.3%	0.3%	BANKSETA's continued assistance to employers to submit WSPs and claim their Mandatory Grant resulted in the organisation achieving its target of 97% claim percentage with a slight increase of 0.3%
		Achievement of risk maturity level in accordance with Risk Maturity model	1.6 Risk maturity level achieved in accordance with risk maturity model	Not Applicable	Not Applicable	Level 3	Level 3	0	Not applicable
		SETA offices established and maintained in TVET colleges	1.7 Number of SETA offices established and maintained in TVET colleges	Not Applicable	1	1	1	0	Not applicable

LINKING PERFORMANCE WITH BUDGETS

Programmes/ Activity/ Objectives	2024/25			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Admin	150 675	122 360	28 315	134 794	103 263	31 531

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Programme 1 performed well in the year under review.

BANKSETA operated within the 10.5% limit.

Indicator 1.4 that targeted a clean audit was not achieved and BANKSETA has prepared an action plan to address any issues in preparation for the 2025/2026 year.

2.2 Programme 2: Skills Planning

To ensure that appropriate and relevant research and benchmarking studies are conducted to provide input into the development of a high quality and credible Sector Skills Plan and the Strategic Plan for the banking and alternative banking sector.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievements



OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Draft APR 2024/2025										
Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations	
Programme 2: Skills Planning	A credible Sector Skills Planning mechanism that identifies relevant skills priorities to meet the labour market demands for the Banking and Alternative Banking Sector.	WSP Reports approved for Small Companies for Small Employers	2.1 Number of WSPs and ATRs approved for Small firms	321	192	250	234	-16	BANKSETA initially exceeded this target, however following an investigation 27 WSPs were removed from the approvals.	
		Approved WSP/ ATR submissions for Medium sized Employers	2.2 Number of WSPs and ATRs approved for Medium firms	49	53	45	54	9	BANKSETA assists employers to submit WSPs by means of workshops, one-on-one support and frequent communication to ensure that employers duly submit their WSPs	
		WSP Reports Approved for Large Companies	2.3 Number of WSPs and ATRs approved for Large firms	73	70	68	69	1	BANKSETA assists employers to submit WSPs by means of workshops, one-on-one support and frequent communication to ensure that employers duly submit their WSPs	
		Research reports and /or working papers completed	2.4 Number of research reports completed	6	6	5	6	1	There was an additional research report on impact that was concluded earlier than expected.	



LINKING PERFORMANCE WITH BUDGETS

Programmes/ Activity/ Objectives	2024/25			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Mandatory Grants	284 280	278 028	(6 252)	254 384	257 952	(3 568)

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Programme 2 performed well in the year under review. Indicator 2.1, that targeted the number of WSPs and ATRs approved for small firms was not achieved and BANKSETA has addressed weaknesses in its process to achieve this target in future.

2.3 Programme 3: Learning Programmes and strategic partnerships

PURPOSE OF PROGRAMME 3:

To implement a range of interventions by entering into agreements between SETAs, qualifying employers and skills development service providers to deliver appropriate interventions to support the provision of substantial, quality programmes for employed workers, unemployed youth, TVET and University students, Co-Ops, SMEs and NGOs, resulting in the ability of the beneficiaries to adapt to changes in the labour market and measure and report on the impact of the interventions. All BANKSETA programmes are diverse, that is, they include a range of beneficiaries such as women, youth and people with disabilities.

The programme consists of the following two sub programmes:

Sub Programme 3.1: Learning Programmes

The purpose of this sub programme is to manage the implementation of the BANKSETA learning projects in the banking and alternative banking sector.

Sub Programme 3.2: Strategic Projects and Collaborative Partnerships

The purpose of this sub programme is to establish and manage the different BANKSETA partnerships and implement strategic projects in line with the BANKSETA mandate.

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement



OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Draft APR 2024/2025										
Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Programme 3: Learning Programmes and Strategic Partnerships	Sub-Programme 3.1: Learning Programmes	Identify and increase production of occupations in high demand	Discretionary grant budget allocated at developing high-level skills	3.1 Percentage of discretionary grant budget allocated at developing high-level skills	Not Applicable	11	12.3	12.4	0.1	The slight deviation is less than 1% and the target was achieved
			A discretionary grant budget allocated at developing intermediate skills	3.2 Percentage of discretionary grant budget allocated at developing intermediate skills	Not Applicable	86	85.2	86.1	0.9	The slight deviation is less than 1% and the target was achieved
			Discretionary grant budget allocated at developing elementary skills	3.3 Percentage of discretionary grant budget allocated at developing elementary skills	Not Applicable	3	1.5	1.5	0	Not applicable
		Skills development support for entrepreneurship and cooperative development	Established or emergent cooperatives trained on sector and national priority	3.4 Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	15	6	15	23	8	Extra effort to support skills development of CHIs through funding window and procured service provider
			Small and emerging enterprises trained on the sector and nationally identified priority occupations or skills.	3.5 Number of small and emerging enterprises trained on sector and nationally identified priority occupations or skills.	107	109	100	121	21	Extra effort to support skills development of SMEs through funding window and procured service provider
			People trained in entrepreneurship supported to start their business	3.6 Number of people trained on entrepreneurship supported to start their business	503	624	600	805	205	BANKSETA opened a funding window and based on the costing of the successful applicants were able to approve more learners than planned. In addition learners that entered in the previous financial year completed in the 2024/2025 year.
		Linking education to the workplace	Unemployed learners enrolled in learnership programmes	3.7 Number of unemployed learners enrolled in learnership programmes	235	1848	1500	1505	5	Although there was a slight delay in implementing this programme, BANKSETA could report an additional 5 learners more than what was planned for, following the opening of a funding window and approving applications meeting the criteria.

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Programme 3: Learning Programmes and Strategic Partnerships	Sub-Programme 3.1: Learning Programmes	Linking education to the workplace	Unemployed learners completing a learnership programme	3.8 Number of unemployed learners completed learnership programmes	345	687	550	1027	477	The learner from the BANKSETA programmes (Letsama and Kuyasa) completed successfully and this resulted in an overachievement
			Unemployed people enrolled in internship programmes	3.9 Number of unemployed learners enrolled in internship programmes	Not Applicable	552	832	673	-159	This target was not achieved due to the funding being approved late in Q4. Learners will be reported on in Q1 of 2025/2026 Year
			Unemployed people completing internship programmes	3.10 Number of unemployed learners completed internship programmes	Not Applicable	406	1133	2090	957	This target was exceeded due to additional learners completing successfully who were funded to start their internship in the previous year.
			Unemployed people enrolled in skills programmes	3.11 Number of unemployed learners enrolled in skills programmes	Not Applicable	677	81	398	317	In addition to the funding window target which was planned there were also learners from a special project that entered resulting in this target being overachieved
			Unemployed people completed skills programmes	3.12 Number of unemployed learners completed skills programmes	Not Applicable	1210	70	370	300	Because more learners entered as per indicator 3.11 this target was exceeded
			TVET learners accessing WIL opportunities	3.13 Number of TVET students requiring WIL to complete their qualifications placed in workplaces	1207	1200	1800	2173	373	Additional funding was approved for TVET WIL and this resulted in the target being exceeded
			TVET learners completing WIL programmes	3.14 Number of TVET students completed their WIL placements	0	1586	724	929	205	Additional learners entered in the previous year and this resulted the target being exceeded

Draft APR 2024/2025										
Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Programme 3: Learning Programmes and Strategic Partnerships	Sub-Programme 3.1: Learning Programmes	Linking education to the workplace	University students accessing WIL opportunities	3.15 Number of University students requiring WIL to complete their qualifications placed in workplaces	337	458	733	735	2	BANKSETA opened a funding window and with the successful applicants being approved 2 more learners could be funded
			University students completing WIL programmes	3.16 Number of University students completed their WIL placements	547	271	120	370	250	More learners entered in the previous year and this resulted the target being exceeded. In addition more learners than anticipated completed successfully.
	Improving the level of skills in the banking and alternative banking Workforce	Workers enrolled in learnership programmes	3.17 Number of workers enrolled in learnership programmes	Not Applicable	2015	2000	2863	863	Additional funding was approved for this indicator resulting in the target being exceeded.	
		Workers completing learnership programmes	3.18 Number of workers completing learnership programmes	Not Applicable	645	1267	1402	135	Learners that were due to complete in the previous year completed in the 2024/2025 financial	
		New entries into BANKSETA Bursary for workers	3.19 Number of workers granted Bursaries (new entries)	Not Applicable	135	600	802	202	Some learners who were due to start in the previous year only started in the 2024/2025 year resulting in the exceeding of the target	
		Workers granted Bursaries continue with bursary	3.20 Number of workers granted Bursaries (continuing)	Not Applicable	46	400	312	-88	Despite awarding funding, less learners than planned entered continuing bursaries	
		Workers granted Bursaries completed their studies	3.21 Number of workers granted Bursaries completed their studies	Not Applicable	272	776	360	-416	Learners started late in the previous year and so the planned completion will only be reported in the 2025/2026 year depending also if the learners complete their studies successfully	
		Workers enrolled in skills programmes	3.22 Number of workers enrolled in skills programmes	Not Applicable	459	809	324	-485	Despite awarding funding, less learners than planned entered	
		Workers completing skills programmes	3.23 Number of workers completed skills programmes	Not Applicable	223	696	283	-413	Due to less learners than planned, entering, the completion target was not achieved.	

Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Programme 3: Learning Programmes and Strategic Partnerships	Sub-Programme 3.1: Learning Programmes	Increase access to occupationally directed programmes	Bursaries awarded to students in HEIs	3.24 Number of unemployed learners granted Bursaries (new enrolments)	1845	607	350	371	21	Additional funding was awarded to new students and this enabled BANKSETA to exceed the target
			Unemployed Learners continuing bursary	3.25 Number of unemployed learners granted Bursaries (continuing)		301	300	885	585	Additional funding was awarded to new students and this enabled BANKSETA to exceed the target
			Unemployed bursary holders students enrolled in HEIs reported having completed their studies	3.26 Number of unemployed learners granted Bursaries completed their studies	796	395	250	394	144	The planned target was exceeded due to more learners entering in previous years
		Support for Sector and Government Strategies	Establish partnerships with TVET	3.27 Number of TVET partnerships established	24	21	20	49	29	BANKSETA opened a funding window for TVETs, UoTs and Universities to deliver Skills Development Initiatives to Gr 12 learners
			Establish partnerships with HEI	3.28 Number of HEI partnerships established	76	39	40	119	79	BANKSETA opened a funding window for TVETs, UoTs and Universities to deliver Skills Development Initiatives to Gr 12 learners. In addition, additional funding was also awarded for bursaries at UoTs and Universities
			CET partnerships established	3.29 Number of CET partnerships established	Not Applicable	5	4	13	9	A concerted effort was made in the 2024/2025 year to work with and support CETs
	Sub-Programme 3.2: Strategic Projects and Collaborative Partnerships	Support for Sector and Government Strategies	Unemployed Beneficiaries enrolled in programmes under the BANKSETA Special Projects	3.30 Number of unemployed beneficiaries enrolled in programmes under the BANKSETA Special Projects	Not Applicable	591	1000	1743	743	Additional funding was approved for unemployed learners on special projects.
			Unemployed Beneficiaries reported as having completed a programme under the BANKSETA Special Projects successfully	3.31 Number of unemployed beneficiaries reported as having completed a programme under the BANKSETA Special Projects successfully	Not Applicable	Not Applicable	300	1081	781	Gr 12 learners who completed skills development initiatives completed successfully and this resulted in the target being exceeded.

Draft APR 2024/2025										
Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Programme 3: Learning Programmes and Strategic Partnerships	Sub-Programme 3.2: Strategic Projects and Collaborative Partnerships	Support for Sector and Government Strategies	Employed beneficiaries enrolled in programmes under the BANKSETA Special Projects	3.32 Number of employed beneficiaries enrolled in programmes under the BANKSETA Special Projects	Not Applicable	Not Applicable	2800	3444	644	This indicator included intervention for IT Programme, Reskilling, Online Short Courses and Professional Development by Sector Associations. With the Funds available and by approving qualifying applications, BANKSETA exceeded this target.
			Employed beneficiaries reported as having completed a programme under the BANKSETA Special Projects successfully	3.33 Number of employed beneficiaries reported as having completed a programme under the BANKSETA Special Projects successfully	Not Applicable	Not Applicable	2052	4331	2279	The programmes are not the same and the duration differs. In some cases the programme was shorter which resulted in completions being reported earlier than planned. In addition some learners that were due to complete in the previous year only completed in its financial year.
		Support career development services	Federations/trade unions supported through the relevant skills training interventions	3.34 Number of federations/trade unions supported through the relevant skills training interventions	Not Applicable	2	1	2	1	BANKSETA opened a funding window and was able to approve two applications from unions who met the criteria for funding.
			Rural Development Projects initiated	3.35 Number of Rural Development Projects Initiated	15	1	1	3	2	ADG Funding window was opened and BANKSETA could fund more rural projects than anticipated
	Support career development services	Career Development Events in urban areas	Career Development Events in urban areas on occupations in high demand	3.36 Number of Career Development Events in urban areas on occupations in high demand	5	6	10	12	2	BANKSETA opened a funding window and partnered with public Universities, Universities of technology and CET Colleges. This enabled a wider spread for delivery and the target could be exceeded with one workshop.
			Career Development Events in rural areas	3.37 Number of Career Development Events in rural areas on occupations in high demand		6	10	9	-1	Not all workshops planned for could be completed
		People trained in Career Development	People trained in Career Development	3.38 Number of Career Development Practitioners trained	241	278	250	574	324	More delegates than planned attended the 21 Career Development workshops hosted.

LINKING PERFORMANCE WITH BUDGETS

Programmes/ Activity/ Objectives	2024/25			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Discretionary Grants	1 200 000	679 136	520 864	1 200 000	863 096	336 904

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

Programmes for workers must be reviewed and restructured after consultation with stakeholders. In cases where implementation partners do not utilise the full amount of funding in support of skills development for their employees the Discretionary Grant Policy must be reviewed to allow for allocation of funds to stakeholders who are better able to implement. Administrative functions related to attendance registers and recording of workshops must be improved. Data capturing, clean up and reporting must be improved.

Programme 4: Quality Assurance

Purpose of Programme 4:

To develop relevant occupational-based qualifications/Part-Qualifications/ Skills Programmes

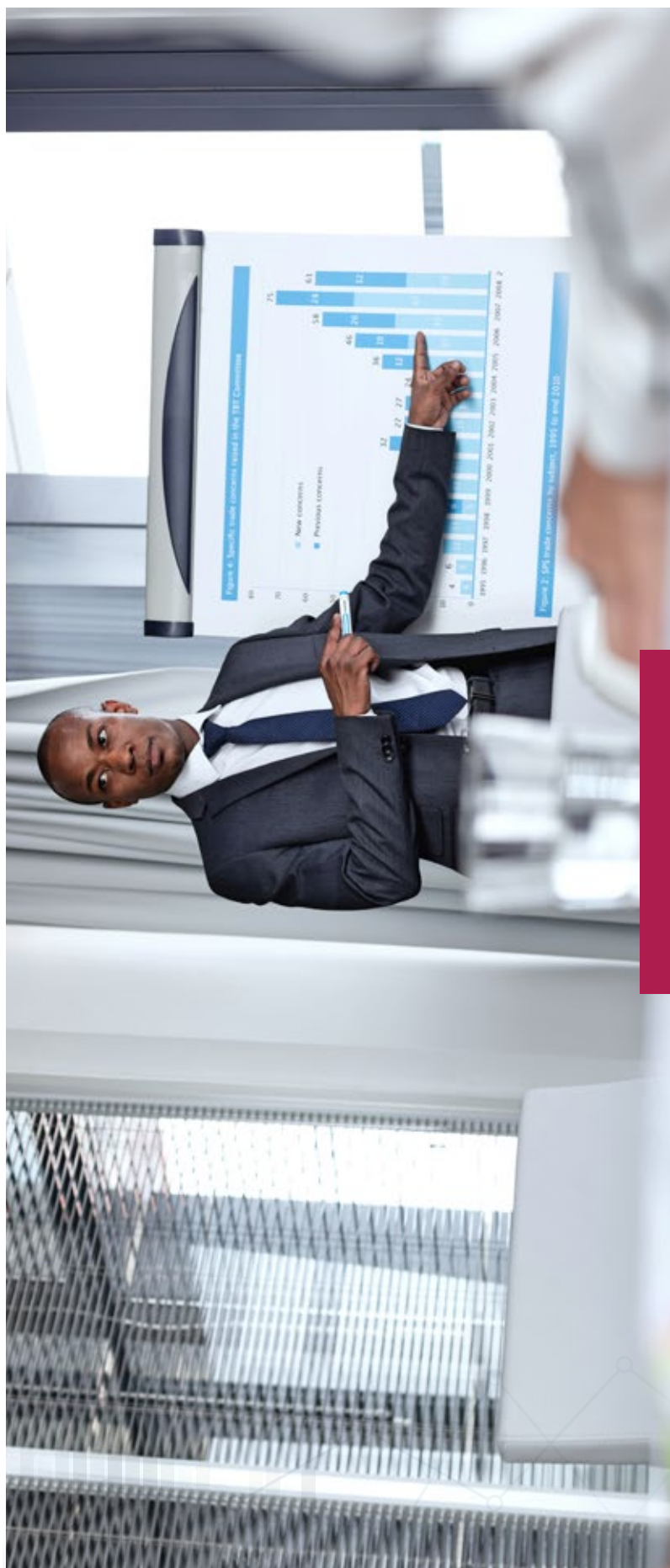
The programme consists of the following two sub-programmes:

Outcomes, Outputs, Output Indicators, Targets and Actual Achievement



OUTCOMES, OUTPUTS, OUTPUT INDICATORS, TARGETS AND ACTUAL ACHIEVEMENTS

Draft APR 2024/2025										
Programme	Sub Programme	Outcome	Output	Output Indicator	Audited Actual Performance FY 2022/2023	Audited Actual Performance FY 2023/2024	Planned Annual Target 2024/2025	Actual Achievement 2024/2025	Deviation from planned target to Actual Achievement 2024/2025	Reasons for deviations
Programme 4: Quality Assurance	Sub-Programme 3.2: Strategic Projects and Collaborative Partnerships	Occupational qualifications/ Part-Qualifications/ Skills Programmes for the banking and alternative banking sector	Submissions to QCTO for Occupational Qualifications/ Skills Programmes	4.1 Number of submissions to QCTO for Occupational Qualifications/ Skills Programmes	2	3	2	6	4	During the development of qualifications, there are instances where the sector identifies specialisations within the occupation. This results in the development of additional qualifications to cater for the specialisations.



LINKING PERFORMANCE WITH BUDGETS

Programmes/ Activity/Objectives	2024/25			2023/24		
	Budget	Actual Expenditure	(Over)/Under Expenditure	Budget	Actual Expenditure	(Over)/Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Budget contribution to QCTO (included in administration expenditure)	7 047	7 047	-	6 024	6 024	-

STRATEGY TO OVERCOME AREAS OF UNDER PERFORMANCE

This programme performed well during the year under review and the target was achieved. BANKSETA must continue to engage with stakeholders and the QCTO to ensure occupational qualifications and part qualifications needed by the Sector is developed and reviewed.

2.5 Revenue Collection

Revenue from Non-Exchange Income

This is mainly skills development levy (SDL) paid by employers within the banking and alternative banking sector. SDL is calculated at 1 percentage of their employee costs in line with legislation. SARS is the collection agent. Employment figures were stable in the sector. The banking sector experienced strong results resulting in their ability to pay bonuses. This impacted SDL favourably. SDL income was 3% higher than budget.

Revenue from Exchange

Transactions Revenue from exchange transaction comprises of is mainly investment income from investment of surplus funds in the short-term money market. Investment revenue was 49% greater than budget due to higher interest rates achieved during the year than forecasted increases in interest rates during the year as The BANKSETA had forecast that rates would be reduced mid-way during the year. The South African Reserve Bank did not cut the rates due to inflation risks. The BANKSETA also did not expend all its budgets leading to larger surplus funds than anticipated.

Revenue from Non-Exchange Income

This is mainly skills development levy (SDL) paid by employers within the banking and alternative banking sector calculated as a percentage of their employee costs in line with legislation. SARS is the collection agent. Employment figures were stable in the sector. The banking sector experienced strong results which were higher than expected. This impacted SDL favourably. SDL income was 2% higher than budget.

Sources of Revenue	2024/25			2023/24		
	Budget	Actual Income	Over/ (Under)	Budget	Actual Income	Over/ (Under)
	R'000	R'000	R'000	R'000	R'000	R'000
Revenue from non-exchange transactions	1 148 000	1 149 910	1 910	1 060 770	1 095 819	35 049
Revenue from exchange	80 120	98 592	18 472	50 756	75 759	25 003
Transactions	70 127	95 401	25 274	80 120	98 592	18 472
Total	1 218 127	1 245 311	27 184	1 140 890	1 194 411	53 521

2.6 Capital Investment

The BANKSETA does not have infrastructure projects. All of its offices are leased.

The capital expenditure is for assets held for administrative purposes mainly furniture and equipment, computer equipment and ICT licences.

	2024/25			2023/24		
Infrastructure Projects	Budget	Actual Expenditure	(Over)/ Under Expenditure	Budget	Actual Expenditure	(Over)/ Under Expenditure
	R'000	R'000	R'000	R'000	R'000	R'000
Property and equipment	2 814	1 291	1 523	1 420	1 149	271
Intangible assets	2 000	744	1 256	2 190	2 189	1
Total	4 814	2 35	2 779	3 610	3 338	272

PERFORMANCE HIGHLIGHTS

Programme 1: Administration

The administrative function provides leadership, strategic management, and administrative support to all activities of the BANKSETA by ensuring effective communications with all stakeholders.

Programme 2: Skills Planning

Ongoing engagement with and support to the Sector resulted in the planned WSP and ATR submissions made, on time.

Programme 3: Learning Programmes

The purpose remains to implement various interventions through agreements among the Sector Education and Training Authority (SETA) qualifying employers, and skills development service providers as well as other partners implementing Skills Programmes in rural areas and for entrepreneurs. Training for Co-operatives and SMEs included Risk Management and National Credit act requirements. Our Entrepreneurship programme included amongst others sustainable entrepreneurship supporting the Green Economy. The focus is on enabling beneficiaries to adapt to labour market changes and measuring the impact of these interventions. BANKSETA's programs are diverse, including women, men, youth, and people with disabilities and are offered in both rural and urban areas. IT Skills training for employees in the Sector included AWS Certified Cloud Practitioner, Ethical Hacking, Microsoft Azure and ComTIA Cybersecurity Analyst amongst others.

Students who BANKSETA awarded bursaries to completed their degrees that include Bcom Honours in Quantitative Finance, Bachelor of Science Information Technology, BSC Honours Actuarial Science and other qualifications aligned to the skills required as identified in the BANKSETA Sector Skills Plan.

INSTITUTIONAL OUTCOMES

The projects within Alternative Banking contribute to the Financial Inclusion strategy of BANKSETA.

OVERVIEW OF ORGANISATIONAL PERFORMANCE

The organisation provided skills development support for small employers, CFIs, and Development Finance Institutions (DFIs), delivering targeted programs to meet SME needs. The challenges experienced in the 2023/2024 financial year have been overcome and skills programmes are being delivered to this target market. There were no major policy or legislative changes, and leadership programmes started in the 2023/2024 financial year completed successfully in the year under review, contributing to sector transformation. Resources were adequately allocated, supporting output achievement.

CHALLENGES IMPACTING PLANNING

BANKSETA must continue to improve on processes to open and award Discretionary Grant Funding Windows earlier to allow ample time for implementation.

SUCCESS FACTORS

BANKSETA's regional programmes have effectively improved educational outcomes and employability by addressing specific regional needs and fostering strategic partnerships. Internal successes include enhanced academic performance and IT skills development, while external successes encompass workforce integration and robust programme delivery through public institution collaborations.

Looking ahead, BANKSETA remains committed to overcoming challenges and optimising regional operations to better serve underserved communities. The organisation's strategic focus on integrated programmes and strengthened regional capabilities underscores its dedication to fostering academic and vocational development across diverse regions.

Programme 4: Quality Assurance

The quality management of training within the BANKSETA continues to deliver consistent, high-quality training across the banking sector. This is achieved through the accreditation of skills development providers, rigorous monitoring, and certification processes for learners, assessors and moderators. Continuous engagement with stakeholders resulted in the development of occupational qualification and part qualification meeting the need of the sector to enhance workforce proficiency and employability. Registration Process and Improvements

BANKSETA works closely with the QCTO to streamline processes and ensure a quick registration process.

APR Notes for the Reader on Programme 3: Learning Programmes	
Output Indicator	Notes
3.4 Number of established or emergent cooperatives trained on sector and national priority occupations or skills.	The output should read: Established or emergent cooperatives trained on sector and nationally identified priority occupations or skills.
3.7 Number of unemployed learners enrolled in learnership programmes	In prior years (2022/2023 and 2023/2024) there was one programme for Unemployed learners on learnerships and one programme for various learning programmes that also included learnerships. Where the prior year reporting clearly indicates the nature of the programme, it is reflected against indicator 3.7 and 3.8. However where there is not a clear distinction that the achievement relates to learnerships specifically this achievement has not been included against 3.7 and 3.8.
3.8 Number of unemployed learners completed learnership programmes	
3.9 Number of unemployed learners enrolled in internship programmes	In the 2022/2023 year there was a programme for various learning programmes that also included Internships. However the achievement has not been split to specifically indicate the internship achievement and therefore it is not reflected against 3.9 and 3.10
3.10 Number of unemployed learners completed internship programmes	
3.11 Number of unemployed learners enrolled in skills programmes	In the 2022/2023 year there was a programme for various learning programmes that also included skills programmes. However the achievement has not been split to specifically indicate the skills programme achievement and therefore it is not reflected against 3.11 and 3.12
3.12 Number of unemployed learners completed skills programmes	
3.17 Number of workers enrolled in learnership programmes	In the 2022/2023 year there was a programme for various learning programmes that also included Learnerships. However the achievement has not been split to specifically indicate the learnership achievement and therefore it is not reflected against 3.17 and 3.18
3.18 Number of workers completing learnership programmes	
3.19 Number of workers granted Bursaries (new entries)	In the 2022/2023 year there was a programme for various learning programmes that also included Bursaries. However the achievement has not been split to specifically indicate the bursary achievement and therefore it is not reflected against 3.19, 3.20 and 3.21
3.20 Number of workers granted Bursaries (continuing)	
3.21 Number of workers granted Bursaries completed their studies	
3.22 Number of workers enrolled in skills programmes	In the 2022/2023 year there was a programme for various learning programmes that also included Skills Programmes. However the achievement has not been split to specifically indicate the Skills Programme achievement and therefore it is not reflected against 3.22 and 3.23
3.23 Number of workers completed skills programmes	
3.28 Number of HEI partnerships established	In prior years this indicator was split between Universities and Universities of Technology and therefore the combined achievement for those two indicators are reflected in this annual report
3.30 Number of unemployed beneficiaries enrolled in programmes under the BANKSETA Special Projects	It must be noted that in the prior year the description of this indicator refers to Strategic Projects. The wording changed to Special Projects in the Annual Performance Plan for 2024/2025 and is reflected as such in this report.
3.31 Number of unemployed beneficiaries reported as having completed a programme under the BANKSETA Special Projects successfully	
3.36 Number of Career Development Events in urban areas on occupations in high demand	In prior years indicator 3.36 and 3.37 was combined as one indicator. The reporting of achievement for 2022/2023 is therefore combined.
3.37 Number of Career Development Events in rural areas on occupations in high demand	



SUCCESS STORIES: BANKSETA TRANSFORMING LIVES

EXPANDING ACCESS, EMPOWERING COMMUNITIES: THE BANKSETA INTERNATIONAL EXECUTIVE DEVELOPMENT PROGRAMME



Melissa Tyali's passion for finance began at an early age, developing a natural ability to manage and allocate money with discipline. This foundation evolved into the establishment of Western Cash Loans in 2020, a registered credit provider operating in the East Rand. The business is driven by a commitment to responsible lending and the promotion of financial inclusion, offering clients access to credit in a way that safeguards their ability to meet essential living expenses.

Operating within South Africa's challenging economic climate, Western Cash Loans has maintained stability through cautious lending practices and a focus on client affordability. However, the business faces the same extensive compliance requirements as large financial institutions, despite being a small enterprise.

This creates operational challenges, particularly in meeting complex reporting obligations with limited resources. Such conditions highlight the need for targeted support and tailored training for small and medium-sized enterprises in the financial sector.

Participation in the International Executive Development Programme (IEDP), supported by BANKSETA, provided Melissa with valuable exposure to global approaches in financial inclusion. Benchmarking visits to Amsterdam in the Netherlands and Nairobi in Kenya revealed distinct contrasts. The Netherlands offered insight into an entrepreneurial ecosystem that supports young talent from university level through incubation hubs, funding and skills development, contributing to significantly lower unemployment rates. Kenya demonstrated innovation in micro-lending, with widespread use of mobile-based payment and loan services such as M-PESA, as well as community-based lending initiatives. The application of USSD technology in Kenya, which allows transactions without internet access, presented a particularly relevant solution for improving financial access in South Africa's rural areas.

The theoretical component of the programme, delivered through Wits Business School, facilitated collaboration with leading professionals across the financial sector. These interactions created opportunities to share industry knowledge, identify common challenges and explore potential collaborations aimed at addressing systemic issues within the sector.

Since completing the programme, Melissa has returned to the Gordon Institute of Business Science (GIBS) to pursue postgraduate studies, strengthening her leadership capabilities and expanding her professional network. Her future plans include expanding Western Cash Loans into underserved rural communities and integrating technology-driven solutions to improve accessibility for clients without reliable internet connectivity.

The IEDP experience has enhanced Melissa's strategic perspective, equipping her with the knowledge and networks to drive innovation in the micro-lending sector. Her work reflects BANKSETA's vision of developing and retaining leadership talent within South Africa's financial services industry, while advancing inclusive economic growth.

BANKSETA BRIDGING ACCESS THROUGH DIGITAL LITERACY



In South Africa, the digital divide remains a challenge, particularly for young people in rural and township communities where access to technology and digital training is often limited. Without these skills, everyday tasks, whether for study, work or personal use, can be more difficult to manage. The BANKSETA Digital Literacy Programme is one of several initiatives designed to address this gap by providing practical and hands-on training. Helen Munzhelele was among those who learned how to operate a computer, navigate online platforms, and create documents and presentations, skills that can be applied in many aspects of life.

When Helen Munzhelele joined the programme, she was focused on learning the basics; how to confidently use a computer, navigate online platforms, and create digital documents and presentations. What she didn't anticipate was how these new skills would become a lifeline in her journey as a nursing student.

While the programme was not designed to prepare learners for higher education, the knowledge and confidence Helen gained translated directly into her university life. Managing assignments, using online learning platforms, and creating professional presentations have become far easier. In addition, the environment fostered by the programme encouraged teamwork, resilience, and problem-solving; skills she now uses daily in her studies and personal life.

Support from facilitators extended beyond the classroom. Even after completing the programme, Helen was able to reach out for technical assistance when she needed it, knowing she had a trusted network to guide her.

BANKSETA's Digital Literacy Programme proves that targeted skills training can create ripple effects far beyond its initial scope. By focusing on equipping participants with essential digital capabilities, the initiative not only empowers individuals in the present but also positions them for future success in ways they might not have imagined.

The experience of participants like Helen shows how access to the right tools and training can make a lasting difference. While the BANKSETA Digital Literacy Programme focuses on building practical skills, its impact often extends further, helping individuals approach their studies, work, and daily lives with greater confidence. Each success story is a reminder that closing the digital gap is not only possible, but deeply worthwhile.

BANKSETA BURSARY SUPPORT THAT TRANSFORMS



When Nokwanda Thando Buthelezi looks back at her academic progress, one moment stands out: the day BANKSETA stepped in to ensure her studies could continue. Today, at 25, she is completing her Certificate in the Theory of Accounting (CTA) at the University of Johannesburg, with her sights set on becoming a Chartered Accountant.

Raised in the East Rand, Nokwanda grew up in the vibrant yet challenging environment of the township, where resources were limited and distractions were many. She completed her matric at Winnie Mandela Secondary School in 2018. After two gap years, she enrolled at Walter Sisulu University in 2021 to study Accounting, a field she had not originally considered.

"Initially, I wanted to pursue engineering," she explains. "But my uncle suggested accounting because of its strong career prospects. I decided to give it a year, and by the second semester, I knew it was the right choice."

For three years, Nokwanda's tuition was covered by a bursary. However, in her final year she made a strategic decision to switch from Accounting to Accounting Sciences, an extended programme that was considered a second undergraduate qualification. This meant she was no longer eligible for her existing funding.

This unexpected funding gap placed her degree at risk. It was at this critical point that BANKSETA's bursary programme became a turning point. A university staff member connected her to the opportunity, and her application was successful.

"The relief was immense," she recalls. "I didn't have to worry about moving between provinces without support, or whether I could afford food or accommodation. BANKSETA allowed me to focus entirely on my studies and commit to passing the year."

With BANKSETA's support, Nokwanda successfully completed her Accounting Sciences degree. She is now preparing to write her Initial Competency (IC) board exam in January, the next step towards qualifying as a Chartered Accountant.

"BANKSETA didn't just help me finish my degree," she says. "They gave me the opportunity to realise my potential and move closer to my dreams."

For Nokwanda, the BANKSETA bursary was more than financial aid. It was the difference between pausing her studies indefinitely and moving forward with purpose.

Today, she is on track to qualify as a Chartered Accountant, equipped with the skills and confidence to enter the profession. Her progress reflects the value of investing in determined students and the lasting impact such support can have.

BANKSETA ENABLING STUDENT SUCCESS!



Pulisani Goodman Mudau's academic journey in accounting demonstrates the impact of BANKSETA's targeted bursary support. Born and raised in Messina, Venda, Pulisani began studying Accounting Science at the University of Limpopo in 2016.

After a brief period at the University of Johannesburg funded by NSFAS, financial challenges forced him to pause his studies. In 2019, he returned to the University of Venda with support from the BANKSETA bursary, which enabled him to complete his degree over six years.

During his studies, Pulisani faced significant personal challenges, including the loss of both parents. Despite these setbacks, the bursary provided the financial stability and resources he needed to continue and complete his degree.

Pulisani is now a first-year accounting trainee at Channel Accounting Registered Auditors (NUE) and has also been accepted to study CTA at Millpark, while awaiting UNISA's next intake. He began professional experience in May 2024 and was shortly contracted by the Auditor-General to audit public sector entities, including the Department of Small Business Development and International Front. He describes the work environment as demanding but well-supported.

Reflecting on BANKSETA's role, Pulisani notes that the bursary exceeded expectations. While initially planned for four years, it was extended to six, covering essential needs such as books and accommodation. He believes this support was crucial to completing his studies and preparing him for a career in accounting.

Looking ahead, Pulisani aims to qualify as a Chartered Accountant and build a successful enterprise, demonstrating how educational support can enable individuals to reach their professional goals and contribute to their communities.





PART C

GOVERNANCE

Supporting the Growth of Small and Micro Enterprise

INTRODUCTION

Corporate governance embodies processes and systems by which public entities are directed, controlled and held to account. In addition to adhering to legislative requirements based on a public entity's enabling legislation and corporate governance with regard to public entities which is applied through the precepts of the Public Finance Management Act (PFMA), the Board has aligned its processes and governance tools to the King IV Report on Principles of Corporate Governance.

Parliament, the Executive and the Board of the public entity are responsible for corporate Governance.

Portfolio Committees

Parliament exercises its role through evaluating the performance of the public entity by interrogating their annual financial statements and other relevant documents which have to be tabled from time to time.

The Standing Committee on Public Accounts (SCOPA) reviews the annual financial statements and the audit reports of the external auditor.

The Parliamentary Portfolio Committee on Higher Education and Training exercises oversight over the service delivery performance of this public entity and, as such, reviews the non-financial information contained in the annual reports of the public entity and is concerned with service delivery and enhancing economic growth.

There have been no meetings held with the Parliamentary Portfolio Committee on Higher Education and Training for this year under review.

Executive Authority

Oversight by the Executive Authority rests by and large on the prescripts of the PFMA. The PFMA governs/gives authority to the Executive Authority for oversight powers. The Minister of Higher Education and Training is the executive authority of the SETAs and has the power to appoint and dismiss the Board. The Executive Authority must also ensure that the membership of the Board is representative of gender and demographics, as well as an appropriate mix of knowledge, skills and experience for the effective functioning of the SETA.

There have been no engagements with the Executive Authority during this year under review.

THE ACCOUNTING AUTHORITY: THE BOARD

Introduction

The roles and functions of the Board are articulated in the BANKSETA Constitution, which is the basis of the Board Charter.



BOARD MEMBERS



Ms Nosipho 'Mia' Makhanya
Chairperson



Mr Protas Langalakhe Mhlongo
Community



Dr. Mamohau Sekgaphane
Community



Mr Phumudzo Siphuma
Organised Employer



Ms Myentthree Moodley
Organised Employer



Ms Mmathema Matle
Organised Employer



Ms Lebogang Shabangu
Organised Labour



Ms Vanessa Hattingh
Organised Labour



Adv Philip Landman
Organised Labour



Ms Leonie van Pletzen
Organised Employer

GOVERNANCE STRUCTURE



- Executive Committee
- Audit and Risk Committee
- Finance and Remuneration Committee
- Governance and Strategy Committee
- Risk Management Committee
- ICT Steering Committee
- Policy Review Committee



- Chief Executive Officer
- Chief Financial Officer
- General Manager: Operations
- General Manager: Corporate Services
- Company Secretary



- Internal and External Auditor

BOARD CHARTER

The BANKSETA Board Charter defines the strategic mandate of the Accounting Authority and outlines the knowledge, skills and experience required by BANKSETA Accounting Authority members to perform their fiduciary duties, and meet National Skills Development Plan targets, Strategic Plan objectives, duties, responsibilities and Code of Conduct articulated in the BANKSETA Constitution, risk management priorities, meeting procedures and governance principles. During the 2024/25 financial year, there was no noncompliance with the Board Charter reported.



BOARD COMPOSITION

The Board's term of appointment is from 1 April 2020 to 31 March 2025. The Board members for 2024/25 were as follows:

Name	Designation (in Terms of the Public Entity Board Structure)	Date Appointed	Date Resigned	Qualifications	Area of Expertise	Other Committees or Task Teams (e.g: Audit Committee / Ministerial Task Team)	No. of Board Meetings Attended, Including Special Meetings
Ms Nosipho Makhanya ¹	Independent Chairperson	01 April 2020 ¹	N/A	- Chartered Accountant (CA-SA) - Bachelor of Business Science in Management Studies in the field of Finance (Honours) - Post Graduate Diploma in Accounting - Bachelor of Laws	- Finance - Accounting	Executive Committee	8/8
Mr Langelakhe Mhlongo	Member -Community Organisation	01 April 2020	N/A	Marketing Diploma	Community Development	Finance and Remuneration Committee Policy Review Committee	7/8
Dr Mamohau Sekgaphane	Member -Community Organisation	01 April 2020	N/A	PhD in Management of Technology & Innovation	- Community Development - Academic - Finance	Governance and Strategy Committee Policy Review Committee	8/8
Ms Vanessa Hattingh	Member -Organised Labour	01 April 2020	N/A	- Labour Law Certificate - Public Relations Certificate	Trade Union Leadership	Finance and Remuneration Committee	8/8
Ms Lebogang Shabangu (Selepe) ²	Member -Organised Labour	01 April 2020 ⁴	N/A	- B.COM Hon: Financial Management - B.COM Law	- Finance - Trade Union Leadership	Executive Committee	6/8
Adv Philip Landman	Member -Organised Labour	01 April 2020	N/A	LLB	- Legal - Trade Union Leadership	Governance and Strategy Committee Policy Review Committee	8/8
Mr Phumudzo Siphuma	Member -Organised Employer	01 April 2020	N/A	Chartered Accountant (SA), B Compt, Honours Accounting (CTA).	- Accountant - Finance	Audit and Risk Committee, Policy Review Committee	5/8
Ms Myenthrree Moodley ³	Member -Organised Employer	01 April 2020	N/A	Masters in Administration (Industrial Psychology) Cum Laude	- Human Capital - Employee Relations and Collective Bargaining	Finance and Remuneration Committee	7/8
Ms Mmathema Matle	Member -Organised Employer	01 April 2020	N/A	- Masters Degree in Education - Masters Diploma in Human Resources Management	Education, Training and Development	Executive Committee, Policy Review Committee	6/8
Ms Leonie van Pletzen	Member -Organised Employer	01 April 2020	N/A	BA Languages (Journalism)	- Operations Manager - Marketing and Communications	Governance and Strategy Committee	8/8

¹Ms Nosipho Makhanya – Board Chairperson reappointed effective 01 April 2020

²Ms Lebogang Shabangu (Selepe) – Board member reappointed effective 01 April 2020

³Ms Myenthrree Moodley – Board member reappointed effective 01 April 2020

BOARD COMMITTEES

The following Board committees are fully operational with organised labour, organised employers, community and independent representatives:

- Audit and Risk Committee
- Finance and Remuneration Committee
- Executive Committee
- Governance and Strategy Committee

Committee	No. of Meetings Held	No. of Members	Name of Members
Executive Committee	13	4/5	Ms Nosipho Makhanya Ms Mmathema Matle Ms Lebogang Selepe Adv Philip Landman Vacant
Audit and Risk Committee	12	6/6	Dr Pritish Dala Ms Thembelihle Mbatha Ms Michelle Pillay Ms Vanessa Hattingh Mr Phumudzo Siphuma Mr Ashley Latchu
Finance and Remuneration Committee	10	3/4	Mr Langalakhe Mhlongo Ms Vanessa Hattingh Ms Myenthrree Moodley Vacant
Governance and Strategy Committee	9	3/3	Dr Mamohau Sekgaphane Ms Leonie van Pletzen Adv Phillip Landman
Risk Management Sub-Committee	6	1 (20 unit heads)	Ms Michelle Pillay (Independent Chairperson and 20 Unit Heads)
Information and Communication Technology Steering Sub-Committee Meetings	5	1 (20 unit heads)	Mr Ashley Latchu (Independent Chairperson plus 20 Unit Heads)

BOARD AND COMMITTEE MEMBER REMUNERATION

Board and committee members are not BANKSETA staff members. Fees are paid to Board and committee members for their attendance at and contributions to official meetings and responsibilities as members (as aligned to the Board and Committee Remuneration Policy). The fees approved by the Minister of Higher Education are in accordance with remuneration level sub-category S, as determined by the Minister of Finance in the 'Circular from the National Treasury on Adjustment of the Remuneration Levels'. Audit and Risk Committee members are remunerated at the same rates as Board members approved by the Minister of Higher Education.

In accordance with DHE circulars ('Remuneration Tariffs for the Boards and Committee members of SETAs and non-SETAs that are Reporting to the Department of Higher Education') issued by the Minister, daily rates are applied for meeting fees (in addition to preparation fees) for Board and committee meetings attended.

Meeting fees are paid to the constituencies that members represent and not to individuals, except for members who are Ministerial appointments, independent committee members and members whose employers have granted them exemption from this condition. Independent committee members who are public officials or government employees are not remunerated for meeting attendance unless they take unpaid leave to attend. Allowances are also subject to tax (and tax regulations).

BOARD MEMBER REMUNERATION (including fees for training, special Board meetings, Annual General Meeting and round-robin approvals)

- Board members are remunerated for meeting preparation and attendance, including special meetings for Board and Committee meetings.
- Board members are also remunerated for ad hoc meetings and activities including interviews, task team meetings, joint committee meetings, SETA graduations, management meetings and stakeholder engagements.

Name	Quarterly Meetings (R'000)	Special Meetings (R'000)	Ad-hoc Activities/ Meetings	Total (R'000)
Ms Nosipho Makhanya	97	133	297	527
Mr Langalakhe Mhlongo	80	99	174	353
Dr Mamohau Sekgaphane	86	95	125	306
Ms Vanessa Hattingh	111	126	88	325
Ms Lebogang Shabangu (Selepe)	50	81	88	219
Adv Philip Landman	111	136	84	331
Mr Phumudzo Siphuma	53	61	61	175
Ms Myenthrree Moodley	73	67	54	194
Ms Mmathema Matle	53	100	117	270
Ms Leonie van Pletzen	75	67	37	179
Vacant (organized employer)	-	-	-	-
Vacant (organized employer)	-	-	-	-
Vacant (organized labour)	-	-	-	-
Vacant (organized labour)	-	-	-	-
Vacant (organized labour)	-	-	-	-
Dr Pritish Dala (Independent Audit and Risk Committee Chairperson)	74	94	75	243
Ms Thembelihle Mbatha (Independent Audit and Risk Committee member)	36	38	24	98
Ms Michelle Pillay (Independent Audit and Risk Committee member and Chairperson of Risk Management Committee)	81	51	35	167
Mr Ashley Latchu (Independent Audit and Risk Committee member and Chairperson of ICT Steering Committee)	78	60	58	195
Total:	1058	1208	1317	3583

RISK MANAGEMENT

The Board approved the Risk Management Policies, Strategy and Implementation Plan to guide BANKSETA on the effective implementation of its risk management system. Risk management has been adopted as a crucial governance requirement to address all factors that may hinder or prevent BANKSETA from achieving its objectives, and/or factors that present opportunities to enhance BANKSETA performance. A Risk Management Committee has been established, chaired by an independent Chairperson, and reports quarterly to the Audit and Risk Committee. The Accounting Authority, assisted by the Audit and Risk Committee, Risk Management Committee, Management and Risk and Compliance Unit, is committed to the optimal management of risk to achieve the SETA's vision, mission, objectives, strategies and plans and to protect its core values. The Accounting Authority has committed BANKSETA to implement risk management aligned to the principles of good corporate governance, supported by legislation and leading practice

- **Risk assessments to determine the effectiveness of its risk management strategy and to identify new and emerging risks**

BANKSETA conducted the annual risk assessment within various business units of BANKSETA, to determine the effectiveness of its risk management policy and identify new and emerging risks. These resulted in the revised strategic and operational risk registers as well as Fraud risk register being realigned to focus on the new identified risk mitigation strategies. The strategic and operational risk registers were monitored throughout the financial year and quarterly reports provided to risk management committee, audit and risk committee and the Board. Risks are identified and management developed and committed implement actions to mitigate the risks to an acceptable level.

- **Risk management and mitigation**

The Board established a Risk Management Committee chaired by an independent chairperson. The Committee reported to the board via the Audit and Risk Committee on a quarterly basis. The Head of Risk and Compliance attends meetings and provides reports to the governance structures. Internal Audit function reviews risk management processes annually and reports on the effectiveness of risk management to the Audit and Risk Committee. These measures are in place in order to achieve effective risk management and a high level of independence.

- **Advice on risk management and independent monitoring of the effectiveness of the system of risk management**

The Head of Risk and Compliance reports quarterly to the Risk Management Committee and Audit and Risk Committee. These committees are established to assist the Board to oversee the effectiveness of the risk management system of BANKSETA. The Audit and Risk Committee, through quarterly monitoring of the Risk management Implementation Plan, provides independent assurance to the Board of BANKSETA'S effective risk management system.

- **Progress in the management of risks, and its transmission into improvements in the BANKSETA's performance**

Through its Risk Management Strategy, BANKSETA has adopted a standard approach to enterprise risk management to ensure that all risks that could affect its strategic outcomes, people, reputation, strategy, business processes and systems, financial and environmental performance are identified, assessed and maintained at an acceptable level to enhance organisational performance.

INTERNAL AUDIT

Internal Control Unit

BANKSETA has established a MANCO (management committee), which comprises of all managers of BANKSETA and the CEO serves as the Chairperson. MANCO convenes periodically and on an ad hoc basis, to discuss and deliberate on matters, such as policies, strategies and operational documents and processes, before items are processed to the Board and Committees. Resolutions from the Board and Committees are tabled at MANCO to ensure effective communication, implementation and accountability.

A Combined Assurance Framework is in place which designates responsibilities to all assurance providers, to improve the internal control environment. An ICT Steering Committee was also established, which comprises of management, and an independent Chairperson was appointed by the Board since August 2022. The ICT Steering Committee oversees IT governance, convenes on a quarterly basis and reports to the Audit and Risk Committee. All ICT governance matters, including ICT policies, strategies and plans are processed through the ICT Steering Committee, and resolutions from Board and the Audit and Risk Committee related to ICT are tabled at this committee to ensure implementation and accountability.

INTERNAL AUDIT AND AUDIT COMMITTEES

The Board is responsible for maintaining a sound system of internal control. Internal Audit, thus, assists BANKSETA to accomplish its objectives through a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes articulated in its Internal Audit Charter.

BANKSETA Internal Audit has been insourced since March 2016 and is managed by the Head of Internal Audit with a team of internal audit specialists. Should external expertise be required, it is sourced following a formal procurement process.

Key Activities and Objectives of the Internal Audit

The Internal Audit Function helps BANKSETA accomplish its objectives by bringing a systematic, disciplined approach to evaluating and/or improving the effectiveness of risk management, internal control and governance processes in line with the International Standards for the Professional Practice of Internal Auditing.

Summary of Audit Work Done

The purpose, authority, and responsibility of the internal audit activity is defined in the approved Internal Audit Charter and is consistent with the mission of Internal Audit and the mandatory elements of the International Professional Practices Framework. Internal Audit provided assurance in terms of governance, risk management and control as per the approved risk-based audit plan and reported progress to the Audit and Risk Committee quarterly.

Internal Audit coverage for 2024/25 (aligned to the Rolling Three-Year Strategic Internal Audit Plan and outcomes of the risk assessment) encompassed the following:

- Annual Performance Report Review
- Annual Financial Statements Quality Review
- Annual Financial Statements Quality Review – Interim AFS
- Annual Performance Plan and Strategic Plan (APP & SP) Review
- Commitments (Final) Review
- Commitments (Interim) Review
- Discretionary Grants (incl. site visits) Review
- Financial Discipline (incl. Investments) Review
- Fraud and Ethics Management Review
- ICT – General Controls Review
- Mandatory Grants and Revenue Review
- Marketing and Communications Review
- Performance Bonus Review
- Performance Information Review (Q4 - 23/24)
- Performance Information Review (Q1 - 24/25)
- Performance Information Review (Q2 - 24/25)
- Performance Information Review (Q3 - 24/25)
- Risk and Compliance Management Review
- Strategy and Research Review
- Supply Chain Management (incl. Contract Management) Review

Key Activities and Objectives of the Audit Committee

The BANKSETA has an independent Audit and Risk Committee that was appointed in line with the requirements of the PFMA and National Treasury. The Audit and Risk Committee has a charter approved by the Accounting Authority that guides it in fulfilling its oversight responsibilities. These oversight responsibilities include the financial reporting process, the system of internal control, risk management, corporate governance, IT governance, performance information, the audit process and the organisation's process for monitoring compliance with laws and regulations and providing recommendations for improvement.

The Committee provides the Accounting Authority with prompt and constructive reports on its findings, especially when issues are identified that could present a material risk to the Institution.



Attendance of Audit Committee Meetings by Audit Committee Members

In terms of membership, the ARC is currently comprised of four external independent members and two additional members from the Accounting Authority. For the financial year, the ARC convened ten times. A list of the members and their respective qualifications as well as a record of their attendance is provided below:

Name of Member	Qualifications	Date Appointed	Date Resigned/ End of Term	No. of Meetings Attended
Dr. Prittish Dala (Chairperson - External Independent Member)	PHD Information Technology, Master of Information Technology, Bachelor of Science (Computer Science) Honours (Cum Laude), Bachelor of Information Technology (Cum Laude), Certified Governance of Enterprise Information Technology (CGEIT), Certified Risk and Information Systems Control (CRISC), Certified Information System Auditor (CISA), Certified Ethical Hacker (CEH). Certified Computer Hacking Forensic Investigator (CHFI), Certified Data Privacy Solution Engineer (CDPSE), Certified Information Security Manager (CISM), Certified Information Systems Security Professional (CISSP), Lead Auditor ISO 27001.	01 Dec 2020	N/A	12/12
Ms. Thembelihle Mbatha (External Independent Member)	Master of Business Leadership (MBL), Chartered Accountant (SA), B Compt. Honours in Accounting (CTA), B Compt. Accounting Sciences.	01 Dec 2020	N/A	11/12
Ms. Michelle Pillay (External Independent Member)	Chartered Accountant (SA), Bachelor of Commerce, Honours in Accounting (CTA).	01 Dec 2020	N/A	10/12
Mr Ashley Latchu (External Independent Member)	Master of Science	14 June 2023	N/A	12/12
Mr. Phumudzo Siphuma (Accounting Authority Member: Organised Employer)	Chartered Accountant (SA), B Compt, Honours Accounting (CTA).	25 Jun 2020	N/A	11/12
Ms. Vanessa Hattingh	Advanced Certificate: Labour Law	14 July 2023	N/A	12/12

Compliance with Law and Regulations

BANKSETA ensures that it complies with laws and regulations through its governance structure and senior management responsibilities, in accordance with its mandate and as formally communicated by the Executive Authority and National Treasury. BANKSETA has developed a compliance framework for submissions aligned to the Executive Authority compliance calendar to ensure consistent focus on compliance. Reports on legislative updates are tabled at quarterly Board and Committee meetings, to ensure that Board members are kept abreast of legislative developments and that BANKSETA complies with laws and regulations. Policies are also updated periodically to ensure alignment and compliance with laws and regulations.

FRAUD AND CORRUPTION

BANKSETA is committed to fight the scourge of fraud, corruption, and unethical behaviour and has no tolerance to corruption. The Board approved the Whistleblowing, Anti-Corruption Policy and Fraud Prevention Plan. The Fraud Prevention Plan aims at preventing instances of fraud and corruption; detecting instances when they do occur and responding appropriately and taking corrective action when fraud and corruption happens. BANKSETA has a dedicated 24/7 hotline service and panel of forensic service providers to investigate reported allegations.

All cases reported through the hotline service are subjected to a preliminary investigation and if a full investigation is required, cases are referred to the panel of forensic service providers. All investigations are overseen by the Risk Management Committee and reported to the Board via the Audit and Risk Committee.

BANKSETA is committed to preventing incidents of fraud, corruption, and unethical conduct through continuous awareness sessions with employees and ensuring deterrence through implementing consequence management as well as recommendations from investigation reports.

MINIMISING CONFLICT OF INTEREST

All Board members and members of staff are required to submit written annual declarations to disclose any conflict of interests and are also required to disclose conflicts of interest at all formal meetings. When a Board or staff member declares a conflict of interest in relation to any business tabled at a meeting, the Board or staff member is recused from the meeting. Formal declarations of interests are noted and records kept in accordance with Board and committee meeting requirements as well as for supply chain management activities to ensure that conflict of interest is minimised. No incidents of conflict of interest was reported for the year under review.

CODE OF CONDUCT

BANKSETA adheres strictly to the Code of Conduct in its Constitution:

1. All members of the Accounting Authority and any committee established by the Accounting Authority are subject to this code of conduct and are required to comply with both the letter and the spirit of the code.
2. Members of the Accounting Authority and any committee established by the Accounting Authority:
 - a. Stand in a fiduciary relationship to the SETA;
 - b. Must comply with all the applicable laws and regulations that regulate the activities they are engaged in for and on behalf of the SETA;
 - c. Must perform their functions fairly, honestly and in good faith, giving full effect to the obligations

and spirit of the Act and this Constitution;

- d. Must protect and promote the reputation of the SETA and promote goodwill towards it;
 - e. Must perform their duties conscientiously and in the best interest of the SETA; and
 - f. Conduct themselves ethically and in accordance with the principles of good governance.
3. To ensure the proper execution of its mandate and effective compliance with the applicable legislative and policy framework, the Accounting Authority must ensure that the staff of the SETA and members of all committees adhere to the following principles of governance –
 - a. Effectiveness and efficiency in the execution of their specified mandates, which require clearly formulated purpose statements, objectives, roles and responsibilities.
 - b. Accountability for meeting their specified mandates, which requires effective accountability mechanisms, proper management, control and the safeguarding of finances and resources, as well as regular and accurate performance reviews, assessments and reporting.
 - c. Integrity and honesty in the management of finances and resources, which require observing and promoting high standards of ethical conduct, proper execution of fiduciary duties, independence from vested interests and avoiding undue influence and conflict of interests.
 - d. Transparency and openness, which require fair, transparent and accessible rules, processes and procedures; the consistent application of these rules, processes and procedures; transparent and motivated decision-making; and timely and accurate provision of information to a higher authority, stakeholders and the public.
 - e. Participation in the development and implementation of public policies, where appropriate, which requires the active involvement of beneficiaries, stakeholders and other affected groups in the formulation of policies and programmes; promoting ownership of policies and programmes; stakeholder commitment to their success; and consultation with, and representation on, institutional structures.
 - f. The capacity and resources to execute their mandate, which require appropriate selection and capacity-building to ensure that members and staff have the necessary skills, knowledge and experience.

Contravention of the Code of Conduct is treated as prescribed in the BANKSETA Constitution. Any contraventions of the Code by a member should be reported to the Chairperson, who must ensure that the matter is investigated. Any contravention of the Code by the Chairperson should be reported to the Minister. A contravention of the Code may result in disciplinary action being taken, which could result in a member being removed from office. No breaches of the Code were recorded during 2024/25.

BANKSETA recognises its accountability to all stakeholders under the legal and regulatory requirements applicable to its business and is committed to high standards of integrity and fair dealing in the conduct of its business. It is committed to complying with both the spirit and the letter of requirements and to always acting with due skill, care and diligence. BANKSETA's efforts in meeting its primary strategic objectives will create a transformed, skilled and capable workforce to address sector strategic objectives and national strategic objectives and skills development legislation (Standard Constitution of SETA Regulations and Skills Development Act).

Health, Safety and Environmental Issues

The level of awareness on OHS and reporting has been one of many main focus areas in the BANKSETA since the lockdown period in 2020 – 2021. The Bankseta have been fortunate to avoid any work-related injuries during the past 5 years and furthermore, diseases mainly related to the respiratory category (COVID-19 and the likes), have been treated with the utmost care and given the attention it deserves.

The hybrid working model in the Bankseta has greatly contributed to curbing the spread of contagious diseases in the organization and has allowed employees to fully recover before reporting to the office environment. Data collection and reporting on work-related injuries and diseases have been harmonized within the different departments via the OHS Committee and there is a uniform way of recording and reporting injuries and disease statistics.

Enforcement of legislation has been complied with by the organization with a minor limitation with regard to human resources capacity. Suggestions would include that the process of reviewing legislation should be fast tracked, and that South African Public Entities should support OHS systems and provide basic facilities for all workers to promote OHS.

Company Secretary

The Company Secretary has a key role to play in ensuring that Board procedures are both followed and regularly reviewed. As part of the responsibilities, the Company Secretary provides Board members with guidance as to their duties, responsibilities and assists in the proper induction, orientation, ongoing training, including assessing the specific training needs of Board members in their fiduciary and other governance responsibilities. Governance compliance reports are submitted to the DHET on a quarterly basis and minutes of all Board and Committee meetings, are recorded by the Company Secretary, in accordance with required governance prescripts.



AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee (ARC) is pleased to present its report for the financial year ended 31 March 2025.

Audit Committee Responsibility

The ARC reports that it has complied with its responsibilities arising from Sections 51(1) (a) (ii), 76 (4) (d) and 77 of the Public Finance Management Act (PFMA) as well as Treasury Regulation 27.1. Furthermore, the ARC has adopted an ARC Charter and has regulated its affairs in compliance with this Charter as well as discharged all its responsibilities as contained therein.

Membership and Attendance

In terms of membership, the ARC is currently comprised of four external independent members and two additional members from the Accounting Authority. For the financial year, the ARC convened twelve (12) times. A list of the members and their respective qualifications as well as a record of their attendance is provided below:

Name of Member	Qualifications	Date Appointment	Date Resigned/ End of Term	No. of Meetings Attended
Dr. Prittish Dala (Chairperson Independent Member)	• PHD Information Technology • Master of Information Technology • Bachelor of Science (Computer Science) Honours (Cum Laude) • Bachelor of Information Technology (Cum Laude) • Chartered Director South Africa (CD) SA • Certified Governance of Enterprise Information Technology (CGEIT) • Certified Risk and Information Systems Control (CRISC) • Certified Information System Auditor (CISA) • Certified Ethical Hacker (CEH) • Certified Computer Hacking Forensic Investigator (CHFI) • Certified Data Privacy Solution Engineer (CDPSE) • Certified Information Security Manager (CISM) • Certified Information Systems Security Professional (CISSP) • Lead Auditor ISO 27001	01 Dec 2020	N/A	12 of 12
Ms. Thembelihle Mbatha (Independent Member)	• Master of Business Leadership (MBL) • Chartered Accountant (SA) • B Compt. Honours in Accounting (CTA) • B Compt. Accounting Sciences	01 Dec 2020	N/A	11 of 12
Ms. Michelle Pillay (Independent Member)	• Chartered Accountant (SA) • Bachelor of Commerce, Honours in Accounting (CTA)	01 Dec 2020	N/A	10 of 12
Mr Ashley Latchu (External Independent Member)	• Master of Science	25 July 2023	N/A	12 of 12
Mr. Phumudzo Siphuma (Accounting Authority Member: Organised Employer)	• Chartered Accountant (SA), B Compt, Honours Accounting (CTA)	25 Jun 2020	N/A	11 of 12
Ms. Vanessa Hattingh (Accounting Authority Member: Organised Labour)	Advanced Certificate: Labour Law	14 July 2023	N/A	12 of 12

Effectiveness of Internal Control

Internal Audit continues to provide assurance in terms of control, governance, and risk management as per the approved risk-based audit plan. At the end of the financial year, Internal Audit achieved 87% completion of the approved risk-based audit plan based on the audit engagements listed below:

Approved Risk-Based Audit Plan - Audit Engagements	
Annual Performance Report Review	Mandatory Grants and Revenue Review
Annual Financial Statements Quality Review	Marketing and Communications Review
Interim Financial Statements Quality Review	Performance Bonus Review
Annual Performance Plan (APP) and Strategic Plan (SP) Review	Performance Information Review (Q4 - 2023/24)
Commitments (Final) Review	Performance Information Review (Q1 - 2024/25)
Commitments (Interim) Review	Performance Information Review (Q2 - 2024/25)
Discretionary Grants (Including Site Visits) Review	Performance Information Review (Q3 - 2024/25)
Financial Discipline (Including Investments) Review	Risk and Compliance Management Review
Fraud and Ethics Management Review	Strategy and Research Review
ICT General Controls Review	Supply Chain Management (Including Contract Management) Review

The ARC's review of the findings identified by the internal and external auditors reveals that the system of internal controls (governance, risk management and control) are partially adequate and partially effective requiring improvement.

The ARC in executing its oversight responsibilities in relation to governance, risk management and control at BANKSETA has identified the following key areas of concern that should be addressed:

- Compliance;
- Materialised fraud risks given the number of allegations confirmed during the financial year;
- Increase in fruitless and wasteful expenditure;
- Non-timely implementation of risk mitigation actions as well as audit findings from Internal Audit and the Auditor-General South Africa (AGSA); and
- Quality of performance information.

In-Year Management and Monthly/Quarterly Reports

BANKSETA has reported quarterly to the National Treasury and the Executive Authority as is required by the PFMA. The Audit Committee as well as assurance providers provided management with recommendations to improve the quality of financial and non-financial (performance information, information communication technology, risk management, human resource management, legal and compliance) information and reporting during the year under review.

Evaluation of Financial Statements and Annual Performance Report

The ARC has:

- Reviewed the unaudited financial statements with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Reviewed changes in accounting policies and practices;
- Reviewed compliance of the annual financial statements with accounting standards and legal requirements;
- Reviewed significant financial reporting judgements and estimates contained in the annual financial statements;
- Reviewed clarity and completeness of disclosures in the annual financial statements and whether disclosures made have been set properly in context;
- Reflected on unusual circumstances or events and management's explanation for the accounting treatment adopted;
- Reviewed reasons for major year-on-year fluctuations, including variances of actual versus budget;
- Reviewed levels of general and specific provisions in the annual financial statements;
- Reviewed write-offs and reserve transfers in the annual financial statements;
- Reviewed the basis for the going concern assumption, including any financial sustainability risks and issues;
- Reviewed the unaudited information on predetermined objectives with due consideration of the independent assurance provided by Internal Audit as well as the assurance provided by Management;
- Reviewed the Auditor-General South Africa (AGSA) audit and management reports, with due consideration of the responses provided by Management; and
- Reviewed the audited financial statements as well as the information on predetermined objectives to be included in the annual report for any significant adjustments resulting from the audit and reported to the Accounting Authority.

Auditor General's Report

The Audit Committee concurs with the conclusions of the Auditor General South Africa (AGSA) on the annual financial statements and is of the opinion that the audited annual financial statements may be read together with the audit report of the AGSA.

We would like to express our appreciation to the Accounting Authority for their leadership and support as well as all other assurance providers and most importantly commend BANKSETA Management for ensuring no regression in the unqualified audit opinion. The ARC implores BANKSETA Management to address the concerns raised by the ARC as well as the audit findings identified by Internal Audit and AGSA in order to address the root cause of the control deficiencies in pursuit of a clean audit outcome (unqualified with no material findings).

P. Dala

Dr. P Dala

Chairperson BANKSETA Audit Committee

Date: 6 August 2025





PART D

HUMAN RESOURCE MANAGEMENT

Supporting the Growth of Small and Micro Enterprise

INTRODUCTION

Our Human Resource Philosophy centers on cultivating a growth-oriented environment where every individual can flourish. To further support the professional development of our employees through diverse learning opportunities, BANKSETA has reviewed the competency framework that underpins our business operating model. This review was a key component of the Organisational Redesign process aimed at increasing our staff complement to a total of 93, as well as strengthening our presence throughout South Africa as a part of the mandate by government.

Prioritizing Well-being: BANKSETA's Commitment to Employee Wellness

Recognizing the pivotal role of employee well-being in fostering a thriving and sustainable workforce, HR is dedicated to establishing engaging wellness initiatives. These efforts not only contribute to reduced employee turnover and attrition but also clearly demonstrate the organization's genuine care for its employees' holistic well-being.

BANKSETA continues its partnership with MAEKO to provide a comprehensive Employee Assistance Program (EAP). This vital resource is essential in cultivating a healthy, productive, and engaged workforce, ensuring employees and their immediate families have access to support relating to their personal and professional lives

Learning and Development

The BANKSETA HR Team is deeply committed to fostering development and collaborates closely with managers and employees to champion continuous learning aligned with the organization's objectives. This commitment is realized through professional development opportunities, workshops, and ongoing learning initiatives. The learning and development initiatives align with the integrated talent framework as per our Annual Performance Plan (APP). This will drive succession planning through the adopted competency framework for all occupational levels.

As per the Succession Planning Policy, some staff members were assigned additional responsibilities; this will assist the entity in determining future prospects and career growth.

Employee Relations

We maintain robust relationships with our representative trade union through consistent engagement with their representatives in regular collective meetings. This ongoing dialogue has facilitated the effective resolution of various labour matters and the successful conclusion of wage agreements. The HR function plays a vital role in managing the relationship between the organization and its employees by addressing workplace concerns, resolving conflicts, and fostering a positive work environment.

The HR Team implore a dispute resolution mechanism – attested with all disputes referred to the Commission for Conciliation, Mediation and Arbitration (CCMA).

The BANKSETA prides itself in being a “Listening Employer” – which is enshrined in our Organisational Core Values.

The BANKSETA plays a critical role in consolidating inputs from the SETA forum in drafting the Collective SETA Constitution. The process has been successful with the engagement of our labour union (NEHAWU), as well as the relevant sub-committee from the CEO's forum

Policy Development

Crafting effective policies at BANKSETA follows a structured approach to ensure relevant issues are addressed and implementation is successful.

In the past financial year, several policies underwent consultation with the recognized labour union and the internal Management Committee (MANCO), as well as the Policy Review Committee (PRC), before seeking/ receiving Board approval.

These approved policies include: Acting Policy, Code of Conduct Policy, Disciplinary Policy, Employment Equity Policy, Leave Policy, Overtime Allowance Policy, Performance and Management Policy, Reimbursement Policy, Sexual Harassment Policy, Smoking Policy, Remuneration Policy, Intoxicating Substance Abuse Policy, and Succession Planning Policy.



HIGHLIGHT ACHIEVEMENTS

Human Resource Information System (HRIS)

This strategic initiative, as presented to Board, has enhanced our performance and enabled a more agile response to customer needs through automated systems. Key improvements related to the HRIS implemented, include:

- **Streamlined Recruitment System:** Optimizing our recruitment processes for greater efficiency. Manager requisition approval automated.
- **Enhanced Performance Management Process:** Implementing improvements for a more effective performance management cycle. System automated, manual system was phased out

Furthermore, we are actively developing and implementing a fully electronic employee data filing system to modernize our record-keeping.

The new Skills Module will be rolled out during the next financial year, which will automate the Personal Development Plan for employees (including training requests, approvals, payment).

Value Assessment Survey (360° Survey)

Recognizing the critical role of employee sentiment in organisational success, Human Resources conducts employee Values Assessment Surveys annually in October. These surveys provide invaluable insights into employees' perceptions of their jobs, the work environment, and the overall organisation. By effectively measuring and acting upon the feedback, we aim to cultivate a more engaged and productive workforce.

To ensure the integrity and smooth execution of this process, we actively seek employee buy-in.

The Governance Committees encourage the BANKSETA to adopt the values on an ongoing basis, as well as have a theme that is aligned to each particular value. A Task Team was established under the custodian of the CEO to address critical challenges emanating from the concluded Values Assessment Report for 2024 – 2025.

Wage Rightsizing

The BANKSETA embarked on a wage disparity exercise and appointed a service provider to determine and assess whether the BANKSETA's employees are remunerated according to market related trends. The process resulted in the Board approving a revised remuneration philosophy that is equitable and consistent with its counterparts.

Future Human Resources Plans and Goals

By establishing these SMART (Specific, Measurable, Achievable, Relevant, Time-bound) goals, the HR department aims to significantly contribute to the organisation's overall success while fostering employee growth and satisfaction.

1. Talent Acquisition and Retention:

- **Goal:** Achieve an increase in employee retention within the next 12 months through the implementation of a comprehensive employee engagement program.

2. Diversity, Equity, and Inclusion (DEI):

- **Goal:** Increase the representation of underrepresented groups in management positions by 10% within the next two years.

BANKSETA's Employment Equity (EE) Plan aligns with sector active populations to ensure fair representation and transformation within South Africa's banking sector. The plan is structured to meet sector-specific numerical targets, as outlined in the Sector Skills Plan (SSP) 2025-2030.

Key aspects of BANKSETA's EE strategy include:

- **Workforce Representation:** Ensuring that employment demographics reflect the Economically Active Population (EAP).
- **Skills Development:** Investing in training programs to upskill underrepresented groups.
- **Compliance with EE Regulations:** Aligning with national policies to meet transformation goals.
- **Strategic Partnerships:** Collaborating with financial institutions to drive inclusive hiring practices.

3. Cultivating a Vibrant Future: BANKSETA's Organisational Cultural Renewal

The organisational cultural renewal project involves a multi-faceted approach, encompassing employee engagement initiatives, leadership development programs, and a review of existing values and behaviours.

- The goal is to cultivate a shared understanding of BANKSETA's purpose and empower every individual to contribute their best.
- This renewed focus on internal culture will not only boost employee morale and productivity but also strengthen BANKSETA's ability to navigate future challenges and opportunities, ultimately better serving the skills development needs of South Africa.
- The BANKSETA has appointed Redefine brands to guide the BANKSETA through this initiative.
- Stakeholders will be engaged to obtain buy-in in this process, starting with our social partners, NEHAWU, and thereafter Executives and Staff. The initial engagement will be a high-level overview of the project, covering the diagnostic foundations, stakeholder alignment pathways, and the intended impact and required outcomes of the project.

HUMAN RESOURCES OVERSIGHT STATISTICS

PERSONNEL COST BY SALARY BAND

Occupational Level	Personnel Expenditure (R'000)	% of Personnel Exp. to Total Personnel	No. of Employees	Average Personnel Cost Per Employee (R'000)
Senior Management	6 004	12	3	2 001
Professional qualified	19 820	33	18	880
Skilled	27 988	46	36	659
Semi-skilled	5 010	8	14	295
Unskilled	536	1	2	209
Fixed-term Contracts	989	2	3	330
Total	60 347	100	76	4 373
Performance Rewards	13 995	16	63	215
Workmen's Compensation	78	1	76	1
Total	74 420	100		

Under fixed term contracts, we have a total number of 3 employees of which are accounted for in the payroll linked to projects due to shortage of resources subject to the approval of the organizational design structure.

PERFORMANCE REWARDS

Occupational Level	No. of Employees	Performance Award (R'000)	% of the Performance Rewards to Total Personnel Cost
Senior Management	3	2 166	3
Professionals	14	5 026	7
Skilled	32	5 712	7
Semi-skilled	14	847	1
Unskilled	2	77	1
Total	65	13 828	19

The above table reflects the bonus provision for 2024/25. The actual amounts for 2024/2025 will be determined after the annual report has been published.

The expenditure of R13 995 000 for performance rewards includes R13 828 000 for 2024/25 year and R167 000 in adjustment for prior years.

TRAINING EXPENDITURE

Human Resource Training and Development Budget	Personnel Expenditure Cost (R'000)	Training Expenditure Cost (R'000)	Training Expenditure as a Percentage of Personnel Cost	No. of Trained Employees	Average Training Cost Per Employee (R'000)
	60 347	1 368	2.27%	70	20

The BANKSETA achieved a total percentage of 2.49 % on training expenditure against the overall budget. This percentage is above the normal percentage baseline as per the Skills Development Act. This demonstrates that the BANKSETA strives to continuously advance its mission statement as an enabler of skills development for its employees in addressing the challenges of the sector.

REASONS FOR STAFF TURNOVER

Reason	Number	% of the Total No. of Staff Leaving
Death	0	0%
Resignation	3	60%
Dismissal	0	0%
Retirement	0	0%
Ill Health	0	0%
Expiry of Contract	2	40%
Other	0	0%
Total	5	100%

LABOUR RELATIONS: MISCONDUCT AND DISCIPLINARY ACTION

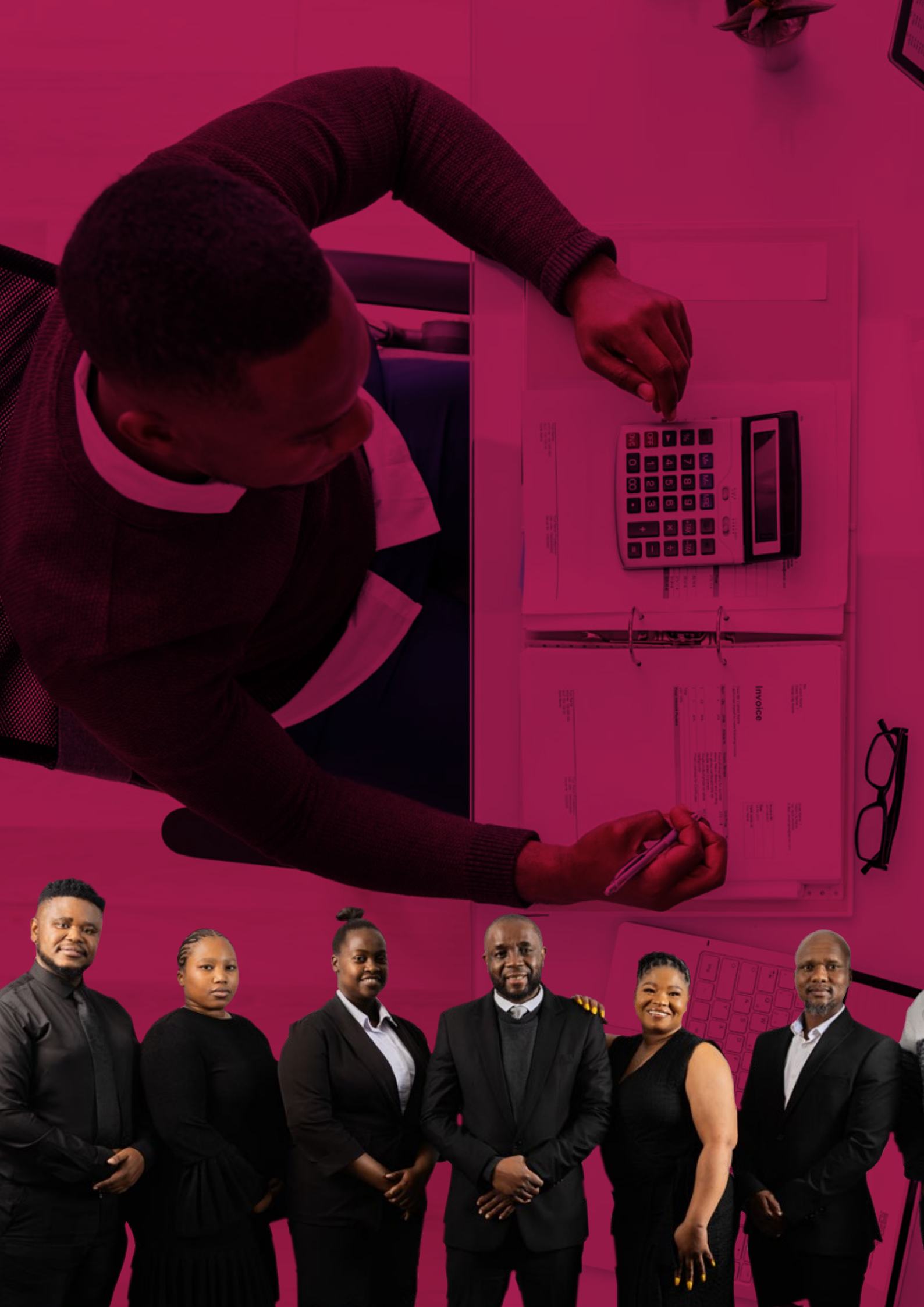
Nature of Disciplinary Action	Numbers
Verbal Warning	0
Written Warning	4
Final Written Warning	1
Dismissal	0

EMPLOYMENT AND VACANCIES

Occupational Level	Appointments	Terminations	Vacancies
Senior management	0	0	2
Professional	2	3	5
Skilled	8	0	8
Semi-skilled	4	0	0
Unskilled	0	0	0
Total	14	3	15

EMPLOYMENT EQUITY

EMPLOYMENT EQUITY PROFILE OCTOBER 2024												
	Male				Female				Foreign Nationals			
Occupational Level	AM	CM	IM	WM	AF	CF	IF	WF	M	F	Total	% EE
Senior Management	1	0	0	0	0	0	0	1	0	1	3	33.33
Professionals	8	1	1	0	5	1	0	1	1	0	18	88.89
Skilled	15	0	1	0	18	0	0	1	0	1	36	94.44
Semi-skilled	3	0	0	0	11	0	0	0	0	0	14	100.00
Unskilled	0	0	0	0	2	0	0	0	0	0	2	100.00
Total Permanent	27	1	2	0	36	1	0	3	1	2	73	91.78
Temporary Employees	1	0	0	0	2	0	0	0	0	0	3	
Total Permanent	28	1	2	0	38	1	0	3	1	2	76	





PART E

PFMA COMPLIANCE REPORT

Supporting the Growth of Small and Micro Enterprise



1. IRREGULAR EXPENDITURE

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The Public Financial Management Act, 1999 (Act No. 1 of 1999) (PFMA).
- The Skills Development Act, 1998 (Act No. 97 of 1998) as amended.
- Instructions and circulars issued by the National Treasury.

The BANKSETA may have received value for such irregular expenditure.

Irregular expenditure is recorded in the annual report when it is either -

- confirmed.
- under assessment, determination and/or investigation.
- condoned by the relevant authority; or
- transferred to receivables for recovery; or
- written off if it is not recoverable; or
- not condoned and removed.

a. Reconciliation of Irregular Expenditure

Description	2024/25	2023/24
	R'000	R'000
Opening balance	19 402	20 183
Add: Irregular expenditure confirmed	-	-
Less: Irregular expenditure from prior years derecognised	-	(781)
Less: Irregular expenditure condoned	-	-
Less: Irregular expenditure not condoned and removed	(539)	-
Less, Irregular expenditure recoverable	-	-
Less: Irregular expenditure not recovered and written off	-	-
Closing Balance	18 863	19 402

b. Reconciling Notes

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure that was under assessment in 2024/25	-	-
Irregular expenditure that relates to 2023/24 and identified in 2024/25	-	-
Irregular expenditure for the current year	-	-
Total	-	-

c. Current Year Irregular Expenditure

Detail of Irregular Expenditure	2024/25	2023/24
	R'000	R'000
Total Expenditure	-	-

d. Details of Current and Previous Year Irregular Expenditure (Under Assessment, Determination, and Investigation)

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure that was under assessment in 2024/25	-	-
Irregular expenditure that relates to prior years and identified in 2024/25	-	-
Irregular expenditure for the current year	-	-
Total	-	-

e. Details of Current and Previous Year Irregular Expenditure Condoned

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure condoned	-	-
Total	-	-

Irregular expenditure amounting to R125 000 was condoned in April 2025 after year end.

f. Details of current and previous year irregular expenditure removed - (not condoned)

Description	2024/25	2023/24
	R'000	R'000
Irregular expenditure NOT condoned and removed.	539	781
Total	539	781

g. Details of current and previous year irregular expenditure derecognised

Description	2024/25	2023/24
	R'000	R'000
From the current year (2024/25)	-	-
Arising in prior years	-	(781)
Total	-	(781)

During the prior year, the National Treasury confirmed that certain legislation only applies to departments and therefore certain irregular expenditure in prior year should not have been recognised by BANKSETA. BANKSETA has derecognised this expenditure.

f. Details of current and previous year irregular expenditure recovered

There was no current and prior year irregular expenditure recovered.

g. Details of current and previous year irregular expenditure written off (irrecoverable)

There was no current and prior year irregular expenditure written off (irrecoverable).

h. Details of non-compliance cases where an institution is involved in an inter-institutional, arrangement (where such institution is not responsible for the non-compliance).

There were no cases non-compliance cases where BANKSETA was involved in an inter-institutional arrangement.

i. Details of non-compliance cases where an institution is involved in an inter-institutional arrangement (where such institution is responsible for the non-compliance)

There were no cases non-compliance cases where BANKSETA was involved in an inter-institutional arrangement where BANKSETA is responsible for the non-compliance.

j. Details of current and previous year disciplinary or criminal steps taken as a result of irregular expenditure

Disciplinary Steps Taken
There were no cases during the year.

2. FRUITLESS AND WASTEFUL EXPENDITURE

Fruitless and wasteful expenditure is recorded in the annual report when it is either -

- confirmed
- under assessment, determination and/or investigation
- recovered or transferred to receivables for recovery; or
- written off if it is not recoverable; or
- details of current and previous year disciplinary or criminal steps taken as a result of fruitless and
- wasteful expenditure.

a. Reconciliation of Fruitless and Wasteful Expenditure

Description	2024/25	2023/24
	R'000	R'000
Opening balance	1 920	25
Add: Fruitless and wasteful expenditure confirmed	23 173	1 895
Less: Fruitless and wasteful expenditure written off	(36)	-
Less: Fruitless and wasteful expenditure recoverable	(4 570)	-
Closing Balance	20 487	1 920

b. Reconciling Notes

Description	2024/25	2023/24
	R'000	R'000
Fruitless and wasteful expenditure that was under assessment in current year	-	-
Fruitless and wasteful expenditure that relates to prior years and identified/recognised in current year	18 920	-
Fruitless and wasteful expenditure for the current year	4 253	1 895
Total	23 173	1 895

c. Details of Current and Previous Year Fruitless and Wasteful Expenditure (Under Assessment, Determination and Investigation)

Description	2024/25	2023/24
	R'000	R'000
Fruitless and wasteful expenditure under assessment	-	-
Fruitless and wasteful expenditure under determination	-	-
Fruitless and wasteful expenditure under investigation	-	1 895
Total	-	1 895

d. Details of Current and Previous Year Fruitless and Wasteful Expenditure Recovered.

Description	2024/25	2023/24
	R'000	R'000
Current fruitless and wasteful expenditure recovered	-	-
Previous year fruitless and wasteful expenditure recovered	42	-
Total	42	-

BANKSETA recovered R42,000 from two discretionary project participants in part payment against previous years fruitless and wasteful expenditure.

e. Details of Current and Previous Year Fruitless and Wasteful Expenditure Not Recovered and Written Off

There was no fruitless and wasteful expenditure not recovered and written off in the current or prior year.

f. Details of Current and Previous Year Disciplinary Or Criminal Steps Taken As A Result Of Fruitless and Wasteful Expenditure

There were no disciplinary or criminal steps taken as a result of fruitless and wasteful expenditure in the current or prior year.

The disciplinary steps for some 2024/25 transactions involving fruitless and wasteful expenditure will take place in the 2025/26 financial year

3. DETAILS OF CURRENT AND PREVIOUS YEAR MATERIAL LOSSES THROUGH CRIMINAL CONDUCT

Description	2024/25	2023/24
	R'000	R'000
Theft	0	21
Other material losses	23 173	1 874
Less: recovered	-	-
Less: Not recovered and written off	-	-
Total	23 173	1 895

BANKSETA incurred fruitless and wasteful expenditure of R19 119 000 through stakeholders participating in discretionary grant projects who did not use the grants for the intended purposes or misrepresented their information or training work done.

BANKSETA incurred fruitless and wasteful expenditure of R4 253 000 through bank fraud.

Included in the 2024/25 total is an amount of R4 528 000 which the BANKSETA is pursuing the recovery and has classified as a non-exchange receivable as at year end. The amount was advanced to a service provider to pay learners stipends and the service provider did not provide evidence that the stipends were paid.

4. INFORMATION ON LATE AND / OR NON-PAYMENT OF SUPPLIERS

National Treasury Instruction no 4 of 2024/25 compels all entities to pay all valid invoices within 30 days of receipt. BANKSETA hereby reports on its compliance with this.

Description	2024/25		2023/24	
	Number of Invoices	Consolidated Value (R'000)	Number of Invoices	Consolidated Value (R'000)
Valid invoices received	3 140	732 491	3 889	1 031 854
Invoices paid within 30 days or agreed period.	3 125	720 338	3 874	1 022 373
Invoices paid after 30 days or agreed period	15	12 152	15	9 481
Invoices older than 30 days or agreed period (unpaid and without dispute)	-	-	-	-
Invoices older than 30 days or agreed period (unpaid and in dispute)	-	-	-	-

5. SUPPLY CHAIN MANAGEMENT

The Supply Chain Management role in BANKSETA is to manage the functions that pertain to the procurement of goods, works and services including the description of requirements and sources of supply, selection and award of contracts and the phases of contract administration.

a. Procurement by Other Means:

Project Description	Name of Supplier	Type of Procurement by Other Means	Contract Number	Value of Contract (R'000)
IIASA Membership	Institute of Internal Audit South Africa	Single Source	Once off payment	11
Loan printers	Apex business solutions	Single Source	Once off payment	7
Appointment of forensic investigator to provide support during disciplinary and court proceeding	Ubuntu Business Advisory	Single Source	Once off payment	100
Tenant installation additional cost	JR 209 investment/ MT	Single Source	Once off payment	45
2025 SAICA Membership subscription	SAICA	Single source	Once off payment	9

b. Contract Variations and Expansions Above 15% of Original Contract Value

Project Description	Name of Supplier	Contract Modification type (Expansion or Variation)	Contract Number	Original Contract Value (R'000)	Value of Previous Contract Expansion/s or Variation/s (if Applicable) (R'000)	Value of Current Contract Expansion or Variation (R'000)
Legal Services (HR Matters) (a matter from 2020 is ongoing due to appeals and BANKSETA expended the contract of the legal representative you worked on the mater initially to finalise the matter)	Ndou Attorneys	Expansion	BS/2019/ CON577	500	450	190

BANK





PART F

FINANCIAL INFORMATION

Supporting the Growth of Small and Micro Enterprise

STATEMENT OF FINANCIAL RESPONSIBILITY

To the best of my knowledge and belief, we confirm the following:

The Accounting Authority is responsible for the preparation of the Annual Financial Statements and for the judgements made in this information.

All information and amounts disclosed in the Annual Report are consistent with the Annual Financial Statements audited by the Auditor-General of South Africa;

The Annual Report is complete, accurate and is free from any material omissions and errors.

The Annual Report has been prepared in accordance with the guidelines on Annual Reports as issued by the National Treasury.

The Annual Financial Statements (Part F) have been prepared in accordance with the required GRAP accounting standards applicable to the BANKSETA.



Mr Eubert Mashabane

Chief Executive Officer and Accounting Authority

REPORT OF THE AUDITOR-GENERAL TO PARLIAMENT ON THE BANKING SECTOR EDUCATION AND TRAINING AUTHORITY

Report on the audit of the financial statements

Opinion

1. I have audited the financial statements of the Banking Sector Education and Training Authority (BANKSETA) set out on pages 86 to 163, which comprise the statement of financial position as at 31 March 2025, statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as notes to the financial statements, including a summary of significant accounting policies.
2. In my opinion, the financial statements present fairly, in all material respects, the financial position of the BANKSETA as at 31 March 2025 and its financial performance and cash flows for the year then ended in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the requirements of the Public Finance Management Act 1 of 1999 (PFMA) and the Skills Development Act 97 of 1998 (SDA).

Basis for opinion

3. I conducted my audit in accordance with the International Standards on Auditing (ISAs). My responsibilities under those standards are further described in the responsibilities of the auditor-general for the audit of the financial statements section of my report.
4. I am independent of the public entity in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA code) as well as other ethical requirements that are relevant to my audit in South Africa. I have fulfilled my other ethical responsibilities in accordance with these requirements and the IESBA code.
5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Emphasis of matters

6. I draw attention to the matters below. My opinion is not modified in respect of these matters.

Restatement of corresponding figures

7. As disclosed in note 29 to the financial statements, the corresponding figures for 31 March 2024 were restated as a result of an error in the financial statements of the public entity at, and for the year ended, 31 March 2025.

Material losses through criminal conduct, irregular, fruitless and wasteful expenditure

8. As disclosed in note 19 to the financial statements, material losses of R 23 173 000 was incurred as a result of service providers not paying stipends to the learners, bank fraud, misrepresentation of information to access grants and inadequate training work done.

Responsibilities of the accounting authority for the financial statements

9. The accounting authority is responsible for the preparation and fair presentation of the financial statements in accordance with the GRAP and the requirements of the PFMA and SDA and for such internal control as the accounting authority determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
10. In preparing the financial statements, the accounting authority is responsible for assessing the public entity's ability to continue as a going concern; disclosing, as applicable, matters relating to going concern; and using the going concern basis of accounting unless the appropriate governance structure either intends to liquidate the public entity or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the auditor-general for the audit of the financial statements

11. My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error; and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements
12. A further description of my responsibilities for the audit of the financial statements is included in the annexure to this auditor's report. This description, which is located at pages 84-85, forms part of my auditor's report.

Report on the audit of the annual performance report

13. In accordance with the Public Audit Act 25 of 2004 (PAA) and the general notice issued in terms thereof, I must audit and report on the usefulness and reliability of the reported performance against predetermined objectives for the selected programmes presented in the annual performance report. The accounting authority is responsible for the preparation of the annual performance report.
14. I selected the following programmes presented in the annual performance report for the year ended 31 March 2025 for auditing. I selected programmes that measures the public entity's performance on its primary mandated functions and that are of significant national, community or public interest.

Programme	Page numbers	Purpose
Programme 2: Skills Planning	28-30	To ensure that appropriate and relevant research and benchmarking studies are conducted to provide input into the development of high quality and credible Sector Skills Plan and the Strategic Plan for the banking and alternate banking sector.
Programme3: Learning Programmes and Strategic Partnerships	30-36	To implement a range of interventions by entering into agreements with SETAs, qualifying employers and skills development service providers to deliver appropriate interventions to support the provision of substantial-quality programmes for employed workers, unemployed youth, TVET and University students, Co-Ops, SMEs and NGOs, resulting in the ability of the beneficiaries to adapt to changes in the labour market and measure and report on the impact of the interventions. All BANKSETA programmes are diverse, that is, they include a range of beneficiaries such as women, youth and people with disabilities.

15. I evaluated the reported performance information for the selected programmes against the criteria developed from the performance management and reporting framework, as defined in the general notice. When an annual performance report is prepared using these criteria, it provides useful and reliable information and insights to users on the public entity's planning and delivery on its mandate and objectives.
16. I performed procedures to test whether:
 - the indicators used for planning and reporting on performance can be linked directly to the public entity's mandate and the achievement of its planned objectives
 - all the indicators relevant for measuring the public entity's performance against its primary mandated and prioritised functions and planned objectives are included
 - the indicators are well defined to ensure that they are easy to understand and can be applied consistently, as well as verifiable so that I can confirm the methods and processes to be used for measuring achievements
 - the targets can be linked directly to the achievement of the indicators and are specific, time bound and measurable to ensure that it is easy to understand what should be delivered and by when, the required level of performance as well as how performance will be evaluated

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

- the indicators and targets reported on in the annual performance report are the same as those committed to in the approved initial or revised planning documents
- the reported performance information is presented in the annual performance report in the prescribed manner and is comparable and understandable.
- there is adequate supporting evidence for the achievements reported and for the reasons provided for any over- or underachievement of targets.

17. I performed the procedures for the purpose of reporting material findings only; and not to express an assurance opinion or conclusion.

18. The material findings on the reported performance information for the selected programmes are as follows:

Number of employed beneficiaries reported as having completed a programme under the BANKSETA special projects successfully

19. An achievement of 4 331 was reported against a target of 2 052. However, the audit evidence showed the actual achievement to be only 3 433. Consequently, the achievement against the target was lower than reported.

Other matters

20. I draw attention to the matters below.

Achievement of planned targets

21. The annual performance report includes information on reported achievements against planned targets and provides explanations for over- or under achievements.

22. The tables that follow provide information on the achievement of planned targets and list the key service delivery indicators that were not achieved as reported in the annual performance report. The reasons for any underachievement of targets are included in the annual performance report on pages 26 to 37.

Programme 2: Skills planning

Targets achieved: 75% Budget spent: 74%		
Key indicator not achieved	Planned target	Reported achievement
Number of WSPs and ATRs approved for small firms	250	234

Programme 3: Learning programmes and strategic partnerships

Targets achieved: 87% Budget spent: 84%		
Key indicator not achieved	Planned target	Reported achievement
Number of unemployed learners enrolled in internship programmes	832	681
Number of workers granted Bursaries (continuing)	400	312
Number of workers granted Bursaries completed their studies	776	427
Number of workers enrolled in skills programmes	809	324
Number of workers completed skills programmes	696	283

Material misstatements

23. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were in the reported performance information for Learning programmes and strategic partnerships programme. Management did not correct the misstatements and I reported material findings in this regard.

Report on compliance with legislation

24. In accordance with the PAA and the general notice issued in terms thereof, I must audit and report on compliance with applicable legislation relating to financial matters, financial management and other related matters. The accounting authority is responsible for the public entity's compliance with legislation.
25. I performed procedures to test compliance with selected requirements in key legislation in accordance with the findings engagement methodology of the Auditor-General of South Africa (AGSA). This engagement is not an assurance engagement. Accordingly, I do not express an assurance opinion or conclusion
26. Through an established AGSA process, I selected requirements in key legislation for compliance testing that are relevant to the financial and performance management of the public entity, clear to allow consistent measurement and evaluation, while also sufficiently detailed and readily available to report in an understandable manner. The selected legislative requirements are included in the annexure to this auditor's report.
27. The material finding on compliance with the selected legislative requirements, presented per compliance theme, are as follows:

Expenditure Management

28. Effective steps were not taken to prevent fruitless and wasteful expenditure, as disclosed in note 19 to the annual financial statements, as required by section 51(1)(b)(ii) of the PFMA. The majority of the fruitless and wasteful expenditure was caused by stakeholders participating in discretionary grant projects who did not use the grants for the intended purposes and misrepresented their information or training work done.

Other information in the annual report

29. The accounting authority is responsible for the other information included in the annual report. The other information does not include the financial statements, the auditor's report and those selected programmes presented in the annual performance report that have been specifically reported on in this auditor's report.
30. My opinion on the financial statements and my reports on the audit of the annual performance report and compliance with legislation do not cover the other information included in the annual report and I do not express an audit opinion or any form of assurance conclusion on it.
31. My responsibility is to read this other information and, in doing so, consider whether it is materially inconsistent with the financial statements and the selected programmes presented in the annual performance report or my knowledge obtained in the audit, or otherwise appears to be materially misstated.
32. I did not receive the other information prior to the date of this auditor's report. When I do receive and read this information, if I conclude that there is a material misstatement therein, I am required to communicate the matter to those charged with governance and request that the other information be corrected. Of the other information is not corrected, I may have to retract this auditor's report and re-issue an amended report as appropriate. However, if it is corrected this will not be necessary.

Internal control deficiencies

- 33. I considered internal control relevant to my audit of the financial statements, annual performance report and compliance with applicable legislation; however, my objective was not to express any form of assurance on it.
- 34. The matters reported below are limited to the significant internal control deficiencies that resulted in the material findings on the annual performance report included in this report.
- 35. The public entity did not exercise proper reviews of the annual performance report to ensure that the reported achievements are supported by reliable information.
- 36. The public entity did not ensure compliance with relevant laws and regulations.

Auditor-General

Signature as 'Auditor-General'
Pretoria

31 July 2025



AUDITOR - GENERAL
SOUTH AFRICA

ANNEXURE TO THE AUDITOR'S REPORT

The annexure includes the following:

- The auditor-general's responsibility for the audit
- The selected legislative requirements for compliance testing

Auditor-general's responsibility for the audit

Professional judgement and professional scepticism

As part of an audit in accordance with the ISAs, I exercise professional judgement and maintain professional scepticism throughout my audit of the financial statements and the procedures performed on reported performance information for selected programmes and on the public entity's compliance with selected requirements in key legislation.

Annual financial statements

In addition to my responsibility for the audit of the financial statements as described in this auditor's report, I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the public entity's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made
- conclude on the appropriateness of the use of the going concern basis of accounting in the preparation of the financial statements. I also conclude, based on the audit evidence obtained, whether a material uncertainty exists relating to events or conditions that may cast significant doubt on the ability of the public entity to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements about the material uncertainty or, if such disclosures are inadequate, to modify my opinion on the financial statements. My conclusions are based on the information available to me at the date of this auditor's report. However, future events or conditions may cause a public entity to cease operating as a going concern
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and determine whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Communication with those charged with governance

I communicate with the accounting authority regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the accounting authority with a statement that I have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, actions taken to eliminate threats or safeguards applied.

COMPLIANCE WITH LEGISLATION – SELECTED LEGISLATIVE REQUIREMENTS

The selected legislative requirements are as follows:

Legislation	Sections or regulations
Public Finance Management Act 1 of 1999	Section 51(1)(b)(i); 51(1)(b)(ii); 51(1)(e)(iii); 53(4); Section 54(2)(c); 54(2)(d); 55(1)(a); 55(1)(b); Section 55(1)(c)(i); 56(1); 57(b); 66(3)(c)
Treasury Regulations, 2005	Regulation 8.2.1; 8.2.2; 16A3.2; 16A3.2(a); Regulation 16A6.1; 16A6.2(a); 16A6.2(b); Regulation 16A6.3(a); 16A6.3(a); 16A6.3(b); Regulation 16A6.3(c); 16A6.3(e); 16A6.4; 16A6.5; Regulation 16A6.6; 16A.7.1; 16A.7.3; 16A.7.6; Regulation 16A.7.7; 16A8.3; 16A8.4; 16A9.1(b)(ii); Regulation 16A 9.1(d); 16A9.1(e); 16A9.1(f); Regulation 16A9.2; 16A9.2(a)(ii); 30.1.1; 30.1.3(a); Regulation 30.1.3(b); 30.1.3(d); 30.2.1; 31.2.1. Regulation 31.2.5; 31.2.7(a); 32.1.1(a); 32.1.1(b); Regulation 32.1.1(c); 33.1.1; 33.1.3
Companies Act 71 of 2008	Section 45(2); 45(3)(a)(ii); 45(3)(b)(i); 45(3)(b)(ii); Section 45(4); 46(1)(a); 46(1)(b); 46(1)(c); Section 112(2)(a); 129(7)
Construction Industry Development Board Act 38 of 2000	Section 18(1)
Construction Industry Development Board Regulations, 2004	Regulation 17; 25(7A)
Second amendment National Treasury Instruction note. 5 of 202/21	Paragraph 1
Erratum National Treasury Instruction note. 5 of 202/21	Paragraph 2
National Treasury instruction note 5 of 2020/21	Paragraph 4.8; 4.9; 5.3
National Treasury instruction note 1 of 2021/22	Paragraph 4.1
National Treasury instruction note 4 of 2015/16	Paragraph 3.4
National Treasury SCM Instruction note 4A of 2016/17	Paragraph 6
National Treasury SCM Instruction note 03 of 2021/22	Paragraph 4.1; 4.2(b); 4.3; 4.4; 4.4(a); 4.17; 7.2; Paragraph 7.6
National Treasury SCM instruction note 11 of 2020/21	Paragraph 3.4(a); 3.4(b); 3.9
National Treasury SCM instruction note 2 of 2021/22	Paragraph 3.2.1; 3.2.4; 3.2.4(a); 3.3.1
Practice note 11 of 2008-9	Paragraph 2.1; 3.1 (b)
Practice note 5 of 2009-10	Paragraph 3.3
Practice note 7 of 2009-10	Paragraph 4.1.2
Preferential Procurement Policy Framework Act 5 of 2000	Section 1; 2.1(a); 2.1(f)
Preferential Procurement Regulations, 2022	Regulation 4.1; 4.2; 4.3; 4.4; 5.1; 5.2; 5.3; 5.4
Preferential Procurement Regulations, 2017	Regulation 4.1; 4.2; 5.1; 5.3; 5.6; 5.7; 6.1; 6.2; 6.3; Regulation 6.5; 6.6; 6.8; 7.1; 7.2; 7.3; 7.5; 7.6; 7.8; Regulation 8.2; 8.5; 9.1; 9.2; 10.1; 10.2; 11.1; 11.2
Prevention and Combating of Corrupt Activities Act 12 of 2004	Section 34(1)

STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED 31 MARCH 2025

		2024/25	2023/24
	Notes	R'000	R'000
			Restated
ASSETS			
Non-current assets			
Property and equipment	1	2 720	2 606
Intangible assets	2	570	2 076
Total non-current assets		3 290	4 682
Current assets			
Receivables from non-exchange transactions	3	31 697	29 511*
Receivables from exchange transactions	4	12 684	11 515
Cash and cash equivalents	5	1 185 814	1 042 573
Total current assets		1 230 195	1 083 599
Total assets		1 233 485	1 088 281
LIABILITIES			
Current liabilities			
Payables from non-exchange transactions	6	139 706	163 187*
Payables from exchange transactions	7	8 846	7 213
Provisions	8	15 745	14 480
Total liabilities		164 297	184 880*
NET ASSETS		1 069 188	903 401*
NET ASSETS AND LIABILITIES			
Funds and reserves			
Administration reserve		3 290	4 682
Employer grant reserve		423	260
Discretionary reserve		1 065 475	898 459*
TOTAL FUNDS RESERVES		1 069 188	903 401*

*The prior year figures have been restated as disclosed in note 29

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31 MARCH 2025

		2024/25	2023/24
	Notes	R'000	R'000
REVENUE			Restated
Skills development levy: income from non-exchange transactions	10	1 146 319	1 094 007
Skills development levy penalties and interest income from non-exchange transactions	11	3 591	1 812
Total revenue from non-exchange transactions		1 149 910	1 095 819
Investment revenue from exchange transactions	12	95 295	98 297
Other revenue from exchange transactions	13	106	295
Total revenue from exchange transactions		95 401	98 592
Total revenue		1 245 311	1 194 411
EXPENSES			
Employer grant expenses	14	(278 028)	(257 952)
Discretionary grant expenses	14	(679 136)	(863 096)*
Administration expenses	15	(122 360)	(103 263)
Total expenses		(1 079 524)	(1 224 311)*
NET SURPLUS/(DEFICIT) FOR THE PERIOD	16	165 787	(29 900)*

*The prior year figures have been restated as disclosed in note 29

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31 MARCH 2025

Notes	Employer Grant Reserve	Discretionary Reserve	Administration Reserve	Unappropriated Surplus/(Deficit)	Total
	R'000	R'000 Restated	R'000	R'000	R'000
Balance at 31 March 2023 (Restated)	137	928 788	4 376	-	933 301*
Summary movement - Year ended 31 March 2024					
Net deficit for the year (restated)	-	-	-	(29 900)*	(29 900)*
Allocation of unappropriated deficit (restated)	7 139	(73 227)	36 188	29 900	-
Excess reserves transferred to discretionary reserve	(7 016)	42 898	(35 882)	-	-
BALANCE AT 31 MARCH 2024 RESTATED	260	898 459	4 682	-	903 401*
Summary movement - Year ended 31 March 2025					
BALANCE AT 31 MARCH 2024 (Restated)	260	898 459	4 682	-	903 401
Net surplus for the year	-	-	-	165 787	165 787
Allocation of unappropriated surplus 9	8 493	129 092	28 202	(165 787)	-
Excess reserves transferred to discretionary reserve	(8 330)	37 924	(29 594)	-	-
BALANCE AT 31 MARCH 2025 25	423	1 065 475	3 290	-	1 069 188

*The prior year figures have been restated as disclosed in note 29

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2025

		2024/25	2023/24
	Notes	R'000	R'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating activities			
Cash receipts from skills development levy; income from non-exchange transactions (Including interest and penalties)		1 150 072	1 061 960
Other revenue from non- exchange transactions - mandatory grants		87	135
Cash paid to stakeholders and suppliers		(1 027 255)	(1 172 898)
Cash paid for employee costs		(73 432)	(68 425)
Cash generated from (utilised in) operations	16	49 472	(179 228)
Investment revenue from exchange transactions received	12.1	95 752	99 068
Net cash (outflow)/inflow from operating activities		145 224	(80 160)
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of property and equipment		(1 291)	(951)
Purchase of intangible assets	2	(744)	(3 149)
Proceeds on disposals of fixed assets		52	255
Net cash outflow from investing activities		(1 983)	(3 845)
Net increase/(decrease) in cash and cash equivalents		143 241	(84 005)
Cash and cash equivalents at the beginning of the period	5	1 042 573	1 126 578
Cash and cash equivalents at the end of the period	5	1 185 814	1 042 573

STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS FOR THE YEAR ENDED 31 MARCH 2025

Notes		Full Year Approved Final Budget	Budget Adjustments	Final Adjusted Budget	Actual Income/ (Expenditure)	Variances
		R'000	R'000	R'000	R'000	R'000
REVENUE						
Skills development levy transfer from non - exchange transactions	28.2	1 088 000	60 000	1 148 000	1 146 319	(1 681)
Skills development levy penalties and interest from non - exchange transactions	28.3	-	-	-	3 591	3 591
Investment revenue from exchange transactions	28.4	56 000	14 000	70 000	95 295	25 295
Other revenue from exchange transactions		127	-	127	106	(21)
Total Revenue		1 144 127	74 000	1 218 127	1 245 311	27 184
EXPENSES						
Employer grant expenses	28.5	(269 280)	(15 000)	(284 280)	(278 028)	6 252
Discretionary grant expenses	28.1 & 28.6	(832 047)	(367 953)	(1 200 000)	(679 136)	520 864
Administration expenses	28.7	(142 800)	(7 875)	(150 675)	(122 360)	28 315
Total Expenses		(1 244 127)	(390 828)	(1 634 955)	(1 079 524)	555 431
NET (DEFICIT)/SURPLUS FOR THE PERIOD		(100 000)	(316 828)	(416 828)	165 787	582 615

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS for the year ended 31 March 2025

The BANKSETA Accounting Authority and the Executive Authority, DHET approved the original budget .

National Treasury approved the original budgeted deficit of R100 000 000.

The budgeted deficit above R100 000 000 is funded from BANKSETA's accumulated prior year surpluses housed in the discretionary grant reserves. This discretionary grant reserves amounted to R898 459 000 (restated) in the prior year.

In October 2024, National Treasury approved the retention of 2023/24 surpluses of R898 719 000 (restated). National Treasury also approved that the retained surpluses may be applied to 2024/25 discretionary grant expenditure and budgets.

The BANKSETA applied only R316 828 000 of this approved surplus, which is in BANKSETA's reserves, to fund discretionary grant budget adjustment in 2024/25.

The resultant increase in the budget and budget deficit were therefore funded from reserves in line with National Treasury's approval.

The BANKSETA considers the R582 615 000 variance as unfavourable as BANKSETA aims to not accumulate funds but to utilise all budgets in that year, as the need for training within the sector is large.

Please refer to note 28.1 for further explanations on the budget and budget adjustments.

ACCOUNTING POLICIES

1. Basis of Preparation

The principal accounting policies adopted in the preparation of these financial statements are set out below and are, in all material respects, consistent with those of the previous year, except as otherwise indicated.

The annual financial statements have been prepared on the historical cost basis, except where adjusted for present/fair values as required by the respective accounting standards. The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP) and the Public Finance Management Act (PFMA), 1999 (Act No. 1 of 1999) as amended, including any interpretations of such Standards issued by the Accounting Standards Board.

2. Going Concern

These Annual Financial Statements were prepared based on the expectation that the BANKSETA will continue to operate as a going concern for at least the next twelve months.

3. Significant Judgements, Estimates and Sources of Uncertainty

In preparing the Annual Financial Statements and application of the BANKSETA's accounting policies, management is required to make estimates and assumptions that affect the amounts represented in the Annual Financial Statements and related disclosures. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not apparent from other sources. Use of available information and the application of judgement is inherent in the formation of estimates. Actual results in future could differ from these estimates which may be material to the Annual Financial Statements.

Significant judgements include:

3.1 Receivables from exchange transactions

The entity assesses its trade receivables, held to maturity investments, and loans and receivables for impairment at the end of each financial reporting period. In determining whether an impairment loss should be recorded in the Statement of Financial Performance, the entity makes judgements as to whether there is observable data indicating a measurable decrease in the estimated future cash flows from a financial asset.

3.2 Receivables from non-exchange transactions

The BANKSETA pays mandatory grants to its sector levy-payers based on information from the South African Revenue Services (SARS). Where SARS retrospectively amends the information on levies collected in the prior year/(s) by decreasing the levy amounts, this may result in grants that have been paid to affected levy-payers being in excess of the grant amount BANKSETA would have paid to those levy-payers had all information been available at the time of payment of those grants. A receivable relating to the overpayments made in prior periods is recognised as the amount of the grant overpayment, net of irrecoverable debts and allowance for irrecoverable amounts.

Should SARS revise the levy information from prior years by increasing those levy amounts, the additional grants due are paid and accounted for in the current year.

3.3 Payables from exchange transactions

Payables from exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short maturity period of these instruments.

3.4 Payables from non-exchange transactions

Payables from non-exchange transactions are stated at their nominal value. The carrying amount of these payables approximates fair value due to the short maturity period of these instruments.

3.5 Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair value. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cashflows at the current market interest rate that is available to the entity for similar financial instruments.

ACCOUNTING POLICIES

3. Significant Judgements, Estimates and Sources of Uncertainty (continued)

3.6 Impairment testing

Management has had to make the following judgements in applying criteria to designate assets as non-cash generating assets or cash generating assets. Cash generating assets are assets used with the objective of generating a commercial return. BANKSETA assets are non-cash generating assets.

If the recoverable service amount of a non-cash generating asset is less than its carrying amount, the amount of the asset shall be reduced to its recoverable service amount. That reduction is an impairment loss. An impairment loss shall be recognised immediately in the Statement of Financial Performance.

The entity reviews and tests the carrying amount of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable. If there are indications that impairments may have occurred, estimates are prepared of expected future cashflows for each group of assets.

3.7 Provisions

Management raised provisions determined on estimates based on the information available at the date of issue of the Annual Financial Statements.

Additional disclosures of these estimates of provisions is included in note 8 - Provisions.

3.8 Useful lives and residual value of property and equipment and intangible assets

The BANKSETA re-assesses the useful lives and residual values of property and equipment on an annual basis. In re-assessing the useful lives and residual values of property and equipment management considers the condition and use of individual assets, to determine the remaining period over which the assets can and will be used.

3.9 Discounting

The BANKSETA reviews and considers the effect of discounting on current assets and liabilities.

These estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period when the estimate is revised, if the revision affects only the that period, or in the period of the revision and future period if the revision affects both current and future periods.

4. Currency

4.1 Functional currency

These financial statements are presented in South African Rands. All figures have been rounded of to the nearest thousand Rands, (R000s) unless otherwise stated. South African Rand is the functional currency of the BANKSETA.

4.2 Foreign currency

A foreign transaction is a transaction that is denominated, or that requires settlement, in a foreign currency.

On initial recognition a foreign currency transaction is recorded at the spot exchange rate prevailing at the transaction date.

Foreign exchange assets are liabilities are classified as monetary or non-monetary items.

Monetary items are subsequently measured by using the closing rate at reporting date. BANKSETA does not have non-monetary foreign currency assets and liabilities.

ACCOUNTING POLICIES

5. Revenue Recognition

5.1 Revenue from non-exchange transactions

Non-exchange revenue transactions result in resources being received by the BANKSETA, usually in accordance with a binding arrangement. Non-exchange revenue is recognised in accordance with GRAP 23 using the 'assets and liabilities' approach. When the BANKSETA receives resources as a result of a non-exchange transaction, it recognises an asset and revenue in the period that the arrangement becomes binding and when it is probable that BANKSETA will receive economic benefits or service potential and it can make a reliable measure of the resources transferred.

Where the resources transferred to the BANKSETA are subject to the fulfilment of specific conditions, it recognises an asset and a corresponding liability.

As and when the conditions are fulfilled, the liability is reduced and revenue is recognised. The asset and the corresponding revenue are measured on the basis of their fair value of the asset on initial recognition.

5.1.1 Levy income

The accounting policy for the recognition and measurement of skills development levy income is based on the Skills Development Act, Act No 97 of 1998 as amended and the Skills Development Levies Act, Act No 9 of 1999, as amended.

Skills development levy (SDL) transfers are recognised when it is probable that future economic benefits will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training either makes an allocation or payment, whichever comes first, to the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999), as amended.

In terms of section 3(1) and 3(4) of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended, registered member companies of the SETA pay a skills development levy of 1% of the total payroll cost to the South African Revenue Services (SARS), who collects the levies on behalf of the Department of Higher Education and Training which is within the Ministry of Higher Education and Training.

80% of skills development levies are paid over to the SETA (net of the 20% contribution to the National Skills Fund).

Exempt registered member companies of the SETA

Companies with an annual payroll cost less than R500,000 are exempted from paying the 1% skills development levy, in accordance with section 4(b) of the Levies Act as amended, effective 1 August 2005. An employer who is liable to pay the levy is exempted if, during any month there is reasonable ground to believe that the total remuneration (as determined in accordance with the Levies Act) payable or paid by the employer to all its employees during the following 12 month period will not exceed R500,000.

Should the SETA receive any SDL from such possibly exempt companies, the SETA recognises a payable shown as a provision equalling the SDL received from these possible levy exempt companies. As per the Skills Development Circular 09/2013, should the levies received from exempt companies not be refunded to the respective employer through the SARS system after five years from receipt, the SETA transfers all monies received from exempt companies to levy revenue.

Such levies are allocated to discretionary levies.

Levy income is recognised on the accrual basis.

Revenue is adjusted for interSETA transfers due to employers changing SETAs. Such adjustments are separately disclosed as interSETA transfers. The amount of the interSETA adjustment is calculated according to the most recent Standard Operating Procedure issued by the Department of Higher Education and Training.

Skills development levy (SDL) transfers are recognised on an accrual basis when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. This occurs when the Department of Higher Education and Training makes an allocation of the SETA, as required by Section 8 of the Skills Development Levies Act, 1999 (Act No. 9 of 1999) as amended.

ACCOUNTING POLICIES

5. Revenue Recognition (continued)

5.1.2 Adjustments to levy, penalties and interest income previously recognised.

SDL is levied and collected by the South African Revenue Services (SARS) in terms of the Income Tax Act.

SARS has review processes to assess if the revenue charged was correctly and completely charged/declared in terms of the prescribed taxation and levy rates and on the correct basis. This may result in SARS itself identifying that the levies collected needs adjustment. Levy payers may also through their own processes identify need for such levy adjustments. Declaration, appeal or objection process undertaken in terms of legislation or similar means, may result in adjustments being passed to levies already collected. Such adjustments may be made up to seven years after the levy is charged and/or collected. SARS passes all such adjustments to levies through DHET to the relevant SETA. When settling the levy receipts with the SETA, SARS nets off such levy adjustments against current levy receipts. The BANKSETA therefore receives its levies funds monthly net of all levy adjustments. The levy information, however, splits up levies amounts between the adjustments and current levies showing the correct months and years that the transactions relate to, to facilitate accurate accounting.

Adjustments to levy revenue already recognised, arises from the completion of a South African Revenue Services (SARS) internal review process, and/or the outcome of an external appeal or objection process undertaken by employer companies. Adjustments to revenue include any refunds that become payable as a result of the completion of a review, appeal or objection process. Refunds are recovered directly from monthly revenues by SARS, and the SETA recognises revenue on net basis as and when it becomes receivable. The SETA has no access to or control to the appeal or review process carried on by SARS, and hence could not reasonably be expected to have access to reliable information at the initial stage of recognition. The adjustments to levy or levy interest and penalty revenue already recognised in prior years, following the outcome of a review, appeal or objection process are therefore accounted for as a change in an accounting estimate, and not as a correction of an error."

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Such revisions of accounting estimates in terms of levy income are disclosed in the analysis of levy income in the notes to the financial statements. The principles in GRAP 3 are applied to account for a change in an accounting estimate.

5.1 Revenue from non-exchange transactions

5.1.3 Levy Interest and penalties

Interest and penalties received on the skills development levy are recognised on the accrual basis.

SARS levies interest and penalties on late payments of levies or incorrect declarations, and passes the interest and penalties to the relevant SETA. Therefore any adjustments in penalties and levies arising from SARS own review processes of amounts charged or levy payers declaration, appeal or objections processes are also passed onto the relevant SETA. Such adjustments may be made up to seven years after the levy is charged and/or collected. SARS nets off such interest and penalties adjustments against current interest and penalty receipts. The BANKSETA therefore receives its interest and penalties amounts monthly net of all interest and penalties adjustments.

SETAs account for penalties and interest on levy income either on allocation by DHET or receipt of the levy income. Therefore SARS (via DHET) makes the accounting estimates of the initial penalties and interest levy income recognised. The BANKSETA has no responsibility for completeness of penalties and interest revenue and may not raise such debtors or creditors for any interest or penalties paid or due by any levy payer in their sector until SARS (via DHET) has allocated or paid the penalties or interest to the SETA, in terms of the accounting policy as approved by National Treasury for SETAs.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. Such revisions of accounting estimates in terms of levy income are disclose in the analysis of levy income in the notes to the financial statements.

ACCOUNTING POLICIES

5. Revenue Recognition (continued)

5.2 Revenue from exchange transactions

Revenue from exchange transactions is recognised when it is probable that future economic benefits or service potential will flow to the SETA and these benefits can be measured reliably. Revenue is measured at the fair value of the consideration received or receivable.

5.2.1 Investment revenue from exchange transactions

Investment revenue from exchange transactions is accrued on a time proportion basis, taking into account the principal outstanding and the effective interest rate over the period to maturity.

6. Expenditure

A registered employer may recover a maximum of 20% of its total levy payment (excluding interest and penalties) as a mandatory employer grant by complying with the grant criteria in accordance with the Skills Development Act, 1998 SETA Grant Regulations regarding monies received and related matters (The SETA Grant Regulations).

6.1 Mandatory/employer grants

The grant expenditure is recognised when the employer has submitted an application for a grant in the prescribed form within the legislated cut off period and the application has been approved. Grants are equivalent to 20% of the total levies contributed by employers to the SETA during the corresponding financial period.

6.1.1 Retrospective adjustments by SARS

The SETA refunds amounts to employers in the form of mandatory grants, based on information from SARS. Where SARS retrospectively amends the information on levies collected, it may result in mandatory grants that have been paid to certain employers that are in excess of the amount the SETA is permitted to have granted to employers. A receivable relating to the overpayment to the employer in earlier periods is raised as the amount of such mandatory grant over payment, net of bad debts and provision for irrecoverable amounts.

6.2 Discretionary grants

A SETA may allocate discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period.

6.2.1 Discretionary project expenditure

A SETA may out of surplus mandatory, administration or discretionary levies and, in accordance with criteria as defined in the SETA Grant Regulations, allocate funds to employers and other associations or organisations. The criteria for allocating funds are approved by the SETA's Board. Where necessary it can be required of interested employers, associations or organisations to complete and submit a funding application for consideration and approval by the SETA.

A SETA allocates discretionary grants to employers who have submitted an application for a discretionary grant in the prescribed form within the agreed upon cut-off period. Discretionary grant expenditure is recognised as expenses in the period in which they are incurred and in which the conditions are met.

Discretionary project expenditure comprise:

- costs that relate directly to the specific contract;
- costs that are attributable to contract activity in general and can be allocated to the project; and
- such other costs as are specifically chargeable to the SETA under the terms of the contract.

Such costs are allocated using methods that are systematic and rational and are applied consistently to all costs having similar characteristics.

Project costs are recognised as expenses in the period in which they are incurred.

ACCOUNTING POLICIES

6. Expenditure (continued)

6.3 Administration expenditure

The Skills Development Levies Act (Act No. 9 of 1999, as amended) stipulates that a maximum of 10% of the levy income for the sector may be used for the SETA's operational administration expenses. An additional maximum of 0.5% of the sector levy income is contributed by the SETA to the Quality Council for Trade and occupations (QCTO) to fund the QCTO's activities. The Minister determines the annual QCTO contribution.

In exceptional circumstances and on application by the SETA, the Minister may approve that the SETA exceed the 10.5% administration expense limit. In cases where the SETA has exceeded this administration expense limit without prior approval, the SETA may apply to the Minister for condonation.

7. Property and Equipment

Property and equipment comprise tangible non-current assets that are held for use for administrative purposes and are expected to be used during more than one financial year.

The assets are used for service delivery and not for any commercial gain. BANKSETA has classified these as non-cash generating assets in line with the GRAP standard that states that an entity shall designate an asset as non-cash generating when its objective is not to use the asset to generate a commercial return but to deliver services.

The cost of an item of property and equipment is recognised as an asset when:

- it is probable that future economic benefits or service potential associated with the item will flow to the SETA; and
- the cost or fair value of the item can be measured reliably.

The cost of an item of property and equipment is the purchase price and other costs attributable to bring the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Trade discounts and rebates are deducted in arriving at the cost.

Where an asset is acquired through a non-exchange transaction, its cost is its fair value as at the date of acquisition.

Property and equipment is initially recognised at cost and subsequently at cost less any subsequent accumulated depreciation and adjusted for any impairments. Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The useful life indicators are used to review estimated useful lives, residual values and depreciation method each year, with the effect of any changes in estimate accounted for on a prospective basis.

The useful life, residual value and depreciation method is assessed at each reporting date for appropriateness.

The following useful lives are used in the calculation of depreciation.

- | | |
|---------------------------------|---------------------|
| • Computer equipment | 3 to 15 Years |
| • Office furniture and fittings | 10 to 25 Years |
| • Office equipment | 5 to 23 Years |
| • Other movable assets | 5 to 10 Years |
| • Leasehold improvements | over the lease term |

Where the carrying amount of an asset is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount (i.e. impairment losses are recognised.)

BANKSETA derecognises property and equipment assets when it disposes of the assets or alternatively does not consume economic benefits or service potential from those assets.

The gain or loss on disposal of property and equipment is determined as the difference between the sale proceeds and the carrying amount and is taken into account in determining the net surplus or deficit for the year.

Remaining useful lives are reviewed annually each year in accordance with the indicator based approach and adjusted as needed. The estimated remaining useful lives take into account the state of the asset and the current usage of the assets. Assets are assessed for impairment indicators on an annual basis.

ACCOUNTING POLICIES

7. Property and Equipment (continued)

7.1 Impairment of assets

The BANKSETA assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, BANKSETA estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The calculation method applied is depreciated replacement method.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less cost of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. The reduction is an impairment cost.

An impairment loss of assets carried at cost less any accumulated depreciation is recognised immediately in surplus or deficit in the Statement of Financial Performance.

The BANKSETA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior years for assets still exists or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated depreciation is recognised immediately in the Statement of Financial Performance.

8. Intangible Assets

Intangible assets are identifiable non-monetary assets without physical substance and mainly comprise of software licenses and computer application licenses.

The assets are used for service delivery and not for any commercial gain. BANKSETA has classified these as non-cash generating assets in line with the GRAP standard that states that an entity shall designate an asset as non-cash generating when its objective is not to use the asset to generate a commercial return but to deliver services.

An intangible asset is recognised when:

- It is probable that the expected future economic benefits or service potential that are attributable to the asset will flow to the SETA; and
- The cost or fair value can be measured reliably.

Intangible assets are initially recognised at cost and subsequently at cost less any subsequent accumulated amortisation and adjusted for any impairments. Amortisation is charged so as to write off the cost of assets over their estimated useful lives, using the straight line method.

The useful life indicators are used to review estimated useful lives and amortisation method each year, with the effect of any changes in estimate accounted for on a prospective basis.

The following useful lives are used in the calculation of amortisation

Software, application software and licenses 2 years (unless the licence period differs)

Where the carrying amount of an asset is greater than its estimated recoverable service amount, it is written down immediately to its recoverable service amount (i.e. impairment losses are recognised.)

ACCOUNTING POLICIES

8. Intangible Assets (continued)

BANKSETA derecognises intangible assets when it disposes of the assets or alternatively does not consume economic benefits or service potential from those assets.

The gain or loss on disposal of intangible asset is determined as the difference between the sale proceeds and the carrying amount and are taken into account in determining the net surplus or deficit for the year.

8.1 Impairment of intangible assets

Remaining useful lives are reviewed annually at each year end in accordance with the indicator based approach and adjusted as needed. The estimated remaining useful lives take into account the state of the asset and the current usage of the assets. Assets are assessed for impairment indicators on an annual basis.

The BANKSETA assesses at each reporting date whether there is any indication that an asset may be impaired. If any such indication exists, BANKSETA estimates the recoverable service amount of the asset.

If there is any indication that an asset may be impaired, the recoverable service amount is estimated for the individual asset. The recoverable service amount is the higher of a non-cash generating asset's fair value less costs to sell and its value in use.

The value in use for a non-cash generating asset is the present value of the asset's remaining service potential.

The calculation method applied is amortization replacement method.

Fair value less costs to sell is the amount obtainable from the sale of an asset in an arm's length transaction between knowledgeable and willing parties, less cost of disposal.

If the recoverable service amount of an asset is less than its carrying amount, the carrying amount of the asset is reduced to its recoverable service amount. The reduction is an impairment cost.

An impairment loss of assets carried at cost less any accumulated amortization is recognised immediately in surplus or deficit in the Statement of Financial Performance.

The BANKSETA assesses at each reporting date whether there is any indication that an impairment loss recognised in prior years for assets still exists or may have decreased. If any such indication exists, the recoverable service amounts of those assets are estimated.

The increased carrying amount of an asset attributable to a reversal of an impairment loss does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior periods.

A reversal of an impairment loss of assets carried at cost less accumulated amortization is recognised immediately in the Statement of Financial Performance.

9. Leasing

Leases are classified as finance leases where a contract substantially transfers the all the risks, rewards, rights associated with ownership of an asset to the lessee in this case being BANKSETA. All other leases are classified as operating leases.

Payments made under operating leases (leases other than finance leases) are charged to the Statement of Financial Performance on a straight-line basis over the period of the lease. The difference between the amounts recognised as an expense and the contractual payments are recognised as an operating lease asset or liability.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

10. Provisions

Provisions are recognised when the SETA has a present legal obligation and/or constructive obligation as a result of a past event and it is probable that this will result in an outflow of economic benefits or service potential that can be estimated reliably.

ACCOUNTING POLICIES

10. Provisions (continued)

The amount of a provision is the best estimate of the expenditure expected to be required to settle the present obligation at the reporting date.

Where the effect of time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation.

Where some or all of the expenditure required to settle a provision is expected to be reimbursed by another party, the reimbursement is recognised when, and only when, it is virtually certain that reimbursement will be received if the SETA settles the obligation. The reimbursement is treated as a separate asset. The amount recognised for the reimbursement does not exceed the amount of the provision.

Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Provisions are reversed if it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required, to settle the obligation.

11. Employee Benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are due to be settled within twelve months after the end of the period in which the employees render the related service.

Short-term employee benefits include items such as:

- salaries, wages and social security contributions;
- short-term compensated absences (such as paid annual leave and paid sick leave) where the compensation for the absences is due to be settled within twelve months after the end of the reporting period in which the employees render the related employee service;
- incentive and performance related bonuses payable within twelve months after the end of the reporting period in which the employees render the related service.

The cost of employee benefits is recognised during the period in which the employee renders the related service. Employee entitlements are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the Statement of Financial Position date. Provisions included in the Statement of Financial Position are provisions for leave (based on the current salary rates) and incentive bonuses.

The SETA recognises the expected cost of incentive and performance related bonus payments when it has a present legal or constructive obligation to make such payments as a result of past events and a reliable estimate of the obligation can be made. A present obligation exists when the SETA has no realistic alternative but to make the payments.

Post-employment benefits

Post-employment benefits are employee benefits (other than termination benefits) which are payable after the completion of employment.

- The SETA does not provide any post-employment medical benefits.
- The SETA provides a defined contribution pension fund as post-retirement benefits to its employees. Defined contribution plans are post-employment benefit plans under which the entity pays fixed contributions into a separate entity (a pension fund) during the period of the employees' service. The entity will have no legal or constructive obligation to pay further contributions in the current period, prior or future periods including post retirement years of the employees should the fund not hold sufficient assets to pay all employee benefits relating to employee service.

When an employee has rendered service to the SETA during a reporting period, the SETA recognises the contribution payable to a defined contribution plan in exchange for that service:

- as a liability (accrued expense), and
- as an expense, unless another standard requires or permits the inclusion of the contribution in the cost of an asset.

ACCOUNTING POLICIES

12. Grants and Projects

A liability is recognised for grant payments once the specific criteria set out in the SETA Grant Regulations have been complied with by member companies and it is probable that the SETA will approve the grant application for payment. The liability is measured based on the expected future cash outflow as determined in accordance with the Act. The measurement of the liability is estimated using the value of the levies received.

Discretionary projects

No provision is made for projects approved at year-end, unless the service in terms of the contract has been delivered. Where a project has been approved, but has not been accrued for or provided for, it is disclosed as approved and allocated for future projects in the notes to Annual Financial Statement. Where a project has been contracted, but has not been accrued for, it is disclosed as commitments in the notes to the financial statements.

Commitments are disclosed where the SETA has, in the normal course of its operations, entered into a contractual agreement with entities related to project expenses which are not yet due for payment.

13. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or a residual interest of another entity. Financial assets and financial liabilities are recognised on the SETA's Statement of Financial Position when the SETA becomes a party to the contractual provisions of the instrument.

13.1 Financial assets

The SETA has the following types of financial assets (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
• Cash and cash equivalents	• Financial asset measured at amortised cost
• Receivables from exchange transactions	• Financial asset measured at amortised cost

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

The SETA recognises financial assets using trade date accounting.

Cash and cash equivalents

Cash and cash equivalents mainly comprise of cash on hand, current and savings bank accounts and money market investments, call accounts and fixed deposits held by the BANKSETA at the Corporation of Public Deposits (CPD) and at domestic banks. Cash and cash equivalents are initially recognised at cost and subsequently stated at amortised cost, which due to their short term nature, closely approximate their fair value.

Loans and receivables

Exchange and non-exchange receivables comprise of trade receivables, loans, and other receivables that have fixed or determinable payments that are not quoted in an active market and are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method less any impairment. Interest income is recognised by applying the effective interest rate.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period.

ACCOUNTING POLICIES

13. Financial Instruments (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each year end. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The impairment values or movement in provision for impairment are recognised in the Statement of Financial Performance.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the surplus or deficit.

Fair value considerations

The fair values at which financial instruments are carried at the balance sheet date have been determined using available market values. Where market values are not available, fair values will be calculated by discounting expected future cash flows at prevailing interest rates where material.

Offsetting

Financial assets and financial liabilities are offset only if there is any intention to realise the asset and settle the liability simultaneously and a legally enforceable right to set off exists.

13.2 Financial liabilities

All financial liabilities of the SETA were classified as other financial liabilities. The classification depends on the nature and purpose of the financial liabilities and is determined at the time of initial recognition.

The SETA has the following types of financial liabilities (classes and categories) as reflected on the face of the statement of financial position or in the notes thereto:

Class	Category
• Trade and other payables from exchange transactions	• Financial liability measured at amortised cost

Financial liabilities are initially measured at fair value, net of transaction costs. Financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised using the effective method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

13.3 Derecognition

A financial asset or a portion thereof is derecognised when the BANKSETA realises the contractual rights to the benefits specified in the contract, the rights expire, and the BANKSETA surrenders those rights or otherwise loses control of the contractual rights that comprise the financial asset. On derecognising, the difference between the carrying amount of the financial asset and the sum of the proceeds receivable and any prior adjustment to reflect the fair value of the asset that had been reported in equity is included in net surplus or deficit for the period.

A financial liability or a part thereof is derecognised when the obligation specified in the contract is discharged, cancelled, or expires. On derecognising, the difference between the carrying amount of the financial liability, including related unamortized costs, and the amount paid for it is included in net surplus or deficit for the period.

ACCOUNTING POLICIES

14. Segment Reporting

In terms of GRAP 18, a segment is an activity of the entity:

- * That generates economic benefits or service potential (including economic benefit or service potential relating to transactions between activities of the same entity):
- * whose results are regularly reviewed by management to make decisions about resource to be allocated to that activity and in assessing its performance, and
- * for which separate financial information is available.

Reportable segments are the actual segments which are reported on the segment report. They are segments identified as above or alternatively an aggregation of two or more of those segments where the aggregation criteria are met.

The BANKSETA does not have activities or units that meet the definition of a 'Segment' per the Accounting Standard. The BANKSETA's administrative units and functional departments do not undertake activities that generate economic benefits or service potential separately from the SETA as a whole. Management has assessed that the BANKSETA operates as one segment both from a service and geographical view point.

Management is of the opinion that the standard is therefore not applicable to the BANKSETA.

15. Reserves

Net assets are classified based on the restrictions placed on the distribution of monies received in accordance with the Skills Development Act and Grant Regulations as follows:

- Administration reserve
- Employer grant reserve
- Discretionary reserve
- Unappropriated surplus

Employer levy payments are set aside in terms of the Skills Development Act and the regulations issued in terms of the Act, for the purpose of:

	2024/25 %	2023/24 %
Administration costs of the SETA	10.5	10.5
Employer grant fund Levy	20.0	20.0
Discretionary grants and projects	49.5	49.5
Received by the SETA	80.0	80.0
Contribution to the National Skills Fund	20.0	20.0
	100.0	100.0

In terms of section 4(4) of the SETA grant regulations, the Minister determines the percentages for mandatory and discretionary levies and grants in consultation with the sector. In 2012, the Minister changed the mandatory grant and levy percentage from 50% to 20%. In October 2019, the courts set aside the Minister's 2012 decision to decrease the mandatory grant and levies portion from 50% to 20%. The courts did not set the new mandatory percentage to be applied from the court decision date onwards. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory levy or grant percentage.

DHET continued to show the mandatory levy portion as 20% in the 2024/25 year in the levy download information. The SETA continued to pay and accrue mandatory grants at 20% in the 2023/24 year in the absence of the revised percentage, as 20% is the amount aligned to the approved annual performance plan. The SETA board has ratified the utilisation of 20% while awaiting the Minister's decision.

The mandatory grants expenditure in Note 14 as well as the mandatory grant liability in note 6 were calculated using the mandatory grant percentage of 20%.

ACCOUNTING POLICIES

15. Reserves (continued)

The BANKSETA also discloses a contingent liability (Note 17.3) in regard to the amount of the mandatory grant payable to qualifying levy payers.

Contributions received from public service employers in the national or provincial spheres of government may be used to fund its administration costs.

Interest and penalties received from SARS as well as interest received on investments are utilised for discretionary grant projects.

The administration grant reserve carry accumulated reserves allocated to administration expenditure in future years.

The employer grant reserve carry accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years.

The discretionary grant reserve carry accumulated reserves allocated to discretionary grants and project expenses in future years.

Surplus funds in the administration reserve and unallocated funds in the employer grant reserve are moved to the discretionary fund reserve. Provision is made in the administration reserve equal to the net book value of depreciable assets. Provision is made in the employer grant reserve for newly registered companies, participating after the legislative cut-off date.

Should the Minister approve that a SETA exceed the 10.5% administration expense limit, the excess would be funded from discretionary grant reserves.

16. Commitments

Items are classified as commitments when the entity has committed itself through contractual agreements to future transactions that will normally result in the outflow of cash

Commitments for which disclosure is necessary to achieve a fair presentation should be disclosed in a note to the financial statements, if both the following criteria are met:

- Contracts should be non-cancellable or only cancellable at significant cost; and
- Contracts should relate to items other than the routine, steady, state business of the entity (such as administration services and goods contracts) – therefore salary commitments relating to employment contracts or social security benefit commitments are excluded.

The SETA presents commitments for discretionary project contracts which would be funded out of discretionary reserves on hand at the date of the Statement of Financial Position, lease contractual commitments and any capital expenditure commitments.

In certain cases, the SETA enters into multi-year contracts whereby only the first year amount is unconditional and future years' amounts are dependent on several suspensive conditions which normally include satisfactory execution of the deliverables by the service provider, the SETA's continued need for the service.

The availability of funds for that year and approval by the board. The SETA only discloses the commitment of the year where all suspensive conditions have been met as a commitment. The amounts that are still subject to suspensive conditions are not disclosed.

17. Related Parties

An entity or individual is considered to be a related party to the BANKSETA when the party has the ability to control (or jointly control) the BANKSETA or can exercise significant influence over the BANKSETA in making financial and operating decisions, or if the party and the BANKSETA are under common control under the same Executive Authority.

All departments and public entities in the national sphere of government are related parties as they are ultimately under common control.

Representation of individuals and employer/labour representatives to the Accounting Authority Body, committees of the Accounting Authority or other equivalent body are not considered as exerting significant influence.

ACCOUNTING POLICIES

17. Related Parties (continued)

Management are those persons responsible for the planning, directing and controlling the activities of the entity, including those charged with the governance of the entity in accordance with legislation, in instances where they are required to perform such functions.

A related party transaction is a transfer of resources or obligations between related parties, regardless of whether a price is charged. Only transactions with related parties where the transactions are not concluded within the normal operating procedures or on terms that are no more or less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

Only transactions with related parties where the transactions are not concluded within the normal operating procedures or on terms that are no more or less favourable than the terms it would use to conclude transactions with another entity or person are disclosed.

18. Presentation of Budget Information in the Financial Statements

The BANKSETA presents a comparison of the budget amounts for which it is held publicly accountable and actual amounts as a separate financial statement in the Annual Financial Statement.

The comparison of budget and actual amounts are presented separately for each level of legislative oversight:

- the approved and final budget amounts.
- by way of note disclosure and explanations of material differences between the budget for which the entity is held publicly accountable and actual amounts.

The budget covers the period 1 April 2024 to 31 March 2025 and has been prepared on the accrual basis of accounting.

19. Irregular and Fruitless and Wasteful Expenditure

Irregular expenditure means expenditure, other than unauthorised expenditure, incurred in contravention of, or not in accordance with, a requirement of any applicable legislation, including:

- The PFMA,
- The Skills Development Act (the Act), 1998 (Act No.97 of 1998) as amended
- Instructions and circulars issued by the National Treasury

Fruitless and wasteful expenditure means expenditure that was made in vain and/or would have been avoided had reasonable care been exercised.

In line with National Treasury Instruction no 4 of 2022/23, irregular expenditure and fruitless and wasteful expenditure is recognised in the notes to the annual financial statements when confirmed after assessment. The BANKSETA recognises:

- irregular expenditure and fruitless and wasteful expenditure incurred and confirmed during the current year, unless it is impractical to determine then a note to that effect is shown, and
- payments made as it relates to multi-year contracts.

The amounts recognised in prior year include:

- amounts confirmed in that financial year,
- amounts that were under assessment in that financial year and confirmed in the current financial year, and
- amounts that were not identified and are identified and confirmed in the current financial year.

Current year irregular and fruitless and wasteful expenditure is recognised against the respective class of expense in the period in which they are incurred. The expenditure is classified in accordance with the nature of the expense, and wherever recovered in the same accounting period, it is shown net of any recoveries. Wherever it is recovered in a subsequent financial year, it is accounted for against the expense if the project is not completed or as revenue in the statement of financial performance if the project is completed.

Where an instance of irregular expenditure or fruitless expenditure has been identified, the incident is recorded in the register, investigated and reported to the board.

ACCOUNTING POLICIES

19. Irregular and Fruitless and Wasteful Expenditure (continued)

The recovery process is implemented, and if irrecoverable, condonation and removed in terms of the National Treasury Irregular Expenditure Framework is effected.

In line with National Treasury Instruction no 4 of 2022/23, only current year irregular expenditure is derecognised when it is either recovered or condoned by National Treasury in that year, or in cases where National Treasury has declined to condone, removed by the Accounting Authority.

Prior year irregular expenditure is derecognised in the Financial Statements in line with National Treasury instructions no 4 of 2022/23.

Current year fruitless and wasteful expenditure is removed from the notes to the financial statements when it is either recovered, or removed by the Accounting Authority in line with the framework issued by National Treasury.

20. Comparative Figures

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

21. Taxation

No provision has been made for taxation, as the SETA has applied and received an income tax exempt status from SARS, in terms of Section 10 of the Income Tax Act, 1962 (Act 58 of 1962). The SETA is compliant with the conditions of this tax exempt status.

22. Events After the Reporting Date

Events after reporting date are those events both favourable and unfavourable, that occur between the reporting date and the date when the financial statements are authorised for issue. Two types of events can be identified:

- those that provide evidence of conditions that existed at the reporting date (adjusting events after the reporting date); and
- those that are indicative of conditions that arose after the reporting date (non-adjusting events after the reporting date).

The SETA will adjust the amount recognised in the financial statements to reflect adjusting events after the reporting date once the event has occurred.

The SETA will disclose the nature of the event and an estimate of its financial effect or a statement that such estimate cannot be made in respect of all material non-adjusting events, where non-disclosure could influence the economic decisions of users taken on the basis of the financial statements.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. PROPERTY AND EQUIPMENT

	Cost	Accumulated Depreciation	Closing Carrying Amount
Year ended 31 March 2025	R'000	R'000	R'000
Computer equipment	5 356	(4 257)	1 099
Office furniture and fittings	2 619	(1 672)	947
Office equipment	1 671	(1 582)	89
Other movable assets	273	(45)	228
Leasehold improvements	671	(314)	357
Balance at end of period	10 590	(7 870)	2 720
Made up as follows:			
- Owned assets	10 590	(7 870)	2 720

Year ended 31 March 2024			
Computer equipment	4 724	(3 405)	1 319
Office furniture and fittings	2 096	(1 552)	544
Office equipment	1 671	(1 565)	106
Other movable assets	243	(18)	225
Leasehold improvements	656	(244)	412
Balance at end of period	9 390	(6 784)	2 606
Made up as follows:			
- Owned assets	9 390	(6 784)	2 606

Movement Summary 2024/25 - Year Ended 31 March 2025

	Carrying Amount 31 March 2024	Additions	Disposals	Depreciation	Carrying Amount 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Computer equipment	1 319	700	(32)	(888)	1 099
Office furniture and fittings	544	546	-	(143)	947
Office equipment	106	-	-	(17)	89
Other movable assets	225	30	-	(27)	228
Leasehold improvements	412	15	-	(70)	357
Balance at end of period	2 606	1 291	(32)	(1 145)	2 720

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

1. PROPERTY AND EQUIPMENT (CONTINUED)

Movement Summary 2023/24 - Year Ended 31 March 2024

	Carrying Amount 31 March 2022	Additions	Disposals	Depreciation	Carrying Amount 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Computer equipment	1 241	813	(56)	(679)	1 319
Office furniture and fittings	509	163	(31)	(97)	544
Office equipment	194	8	-	(96)	106
Other movable assets	74	165	-	(14)	225
Leasehold improvements	480	-	-	(68)	412
Balance at end of period	2 498	1 149	(87)	(954)	2 606

BANKSETA has incurred no repairs and maintenance costs on these assets.

Computer equipment with original cost of R68 000 and accumulated depreciation of R37 000 was stolen or damaged beyond use.

Insurance and staff proceeds of R52 000 was received on these incidents.

At year end, the BANKSETA had assets held for disposal with an original cost of R1 832 000 and net book value of R6,000.

In line with GRAP standards, the BANKSETA continues to depreciate those assets unless they were already fully depreciated, until disposal date.

The BANKSETA had no contractual commitments at year-end for acquisitions of any property and equipment. BANKSETA has no restriction or encumbrances on its assets.

The following useful lives are used in the calculation of depreciation.

	Useful lives	Depreciation rate
- Computer equipment	3 - 15 years	33.33% to 6,77%
- Office furniture and fittings	10 - 25 years	10% to 4%
- Office equipment	5 to 23 years	20% to 4%
- Other movable assets	5 to 10 years	20% to 10%
- Leasehold improvements	over the lease term	10% - 8%

1.1 Change in useful lives

The re-assessment of the useful lives during the period resulted in no material adjustments.

Useful lives of property and equipment are re-assessed each financial year and prior adjustments have not been material.

The fixed asset register is available at the BANKSETA's registered office for inspection.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

2. INTANGIBLE ASSETS

	Cost	Accumulated Amortisation	Closing Carrying Amount
	R'000	R'000	R'000
Year ended 31 March 2025			
Application software	744	(174)	570
Balance at end of period	744	(174)	570
Made up as follows:			
- Owned assets	744	(174)	570
Year ended 31 March 2024			
Application software	2 189	(113)	2 076
Balance at end of period	2 189	(113)	2 076
Made up as follows:			
- Owned assets	2 189	(113)	2 076

Movement Summary 2024/25 - Year Ended 31 March 2025

	Carrying Amount 31 March 2024	Additional	Disposals	Amortisation	Carrying Amount 31 March 2025
	R'000	R'000	R'000	R'000	R'000
Application software	2 076	744	-	(2 250)	570

Movement Summary 2023/24 - Year Ended 31 March 2024

	Carrying Amount 31 March 2023	Additional	Disposals	Amortisation	Carrying Amount 31 March 2024
	R'000	R'000	R'000	R'000	R'000
Application software	1 878	2 189	-	(1 991)	2 076

Application software complies with the definition of Intangible assets, which is an identifiable non-monetary asset without physical substance.

The amortisation expense has been included in the line item 'depreciation/amortisation' in note 15, administration expenditure.

The fixed asset register is available at the BANKSETA's registered office for inspection

BANKSETA incurred no repairs and maintenance expenditure on these assets.

The BANKSETA has no contractual commitments for acquisitions of intangible assets as at 31 March 2025.

The following useful lives are used in the calculation of amortisation.

	Useful lives	Depreciation rate
- Application software	2 years (Unless license period is different)	33% - 100% p.a.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

3. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

	Notes	2024/25	2023/24
		R'000	R'000
			Restated
Employer receivables	3.1	36	31
Prepaid expenses-non-exchange		26 341	29 480*
Discretionary project receivable non-exchange		5 295	-
Inter SETA receivables		25	-
Total Receivables from non exchange transactions		31 697	29 511*

The effect of discounting was considered and found immaterial

3.1 Employer receivable

Overpayment to employers	515	514
Allowance for impairment	(479)	(483)
Net effect of SARS retrospective adjustments on affected employers	36	31

R515 000 employer receivables (2023/24 : R514 000) was recognised as a receivable relating to the overpayment to the employers in earlier periods, and is based on the amount of such grant over payments.

Of the R515 000 employer receivables amount, R479 000 is impaired

Reconciliation of impairment allowance on employer receivable		
Opening balance : Impairment of employer receivable	(483)	519
Change In estimate	-	-
Addition	-	-
Recovered/reversed	4	(36)
Closing balance: impairment allowance on employer receivable	(479)	(483)

* Prior year figure restated as disclosed in note 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

4. RECEIVABLES FROM EXCHANGE TRANSACTIONS

	2024/25	2023/24
	R'000	R'000
Deposits	3 763	3 715
Staff advances and payroll receivables	44	38
Interest receivables	6 048	6 505
Net other receivables	153	37
Other receivables	161	45
Allowance for impairment	(8)	(8)
	10 008	10 295
Receivables from exchange not classified as financial instruments		
Prepaid expenses	2 660	1 220
Other receivables	16	-
Total receivables from exchange not classified as financial instruments	2 676	1 220
Total receivables from exchange transactions	12 684	11 515

The effect of discounting was considered and found to be immaterial.

Reconciliation of impairment allowance on other receivables

Opening balance : Impairment of other receivables

Addition

Recovered/reversed

Closing balance : impairment allowance on employer receivable

	(8)	-
	-	(8)
	-	-
	(8)	(8)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

5. CASH AND CASH EQUIVALENTS

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand and in banks and investments in fixed deposits.

Cash and cash equivalents at the end of the financial year as shown in the cash flow statement can be reconciled to the related items in the Statement of Financial Position as follows:

	2024/25	2023/24
	R'000	R'000
Cash at bank and on hand	62 650	18 449
Cash at bank	62 647	18 445
Cash on hand	3	4
Short term investments/instruments	1 123 164	1 024 124
Cash and cash equivalents at end of year	1 185 814	1 042 573

As required in Treasury Regulation 31.2, National Treasury approved the banks and investments where the bank accounts are held. The weighted average interest rate on short term bank deposits of the year ended 31 March 2025 was 8,52% (March 2024-8,71%)

Treasury Regulation 31.3 requires that, unless exempted by the National Treasury, the SETA as a public entity that is listed in Schedule 3A of the Act, must invest surplus funds with the Corporation for Public Deposits.

National Treasury clarified that SETAs should invest in line with the Skills Development Act (SDA) which directs that surplus funds should be invested in fixed deposits, permanent shares or savings accounts in any financial institution in South Africa.

BANKSETA has invested its surplus funds in fixed deposits and the CPD. National Treasury has approved the banks where the fixed deposits are held. BANKSETA is compliant with legislation.

6. PAYABLES FROM NON-EXCHANGE TRANSACTIONS

	2024/25	2023/24
	R'000	R'000
		Restated
Skills development grants payable - mandatory	40 451	18 767
Employer payables	3	12
Project grants payable - discretionary	99 252	144 408*
Total payable from non-exchange transaction	139 706	163 187*

The effect of discounting was considered and found to be immaterial.

Only the Project grants payable - discretionary are classified as financial payables

* The prior year figures have been restated as disclosed in note 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

7. PAYABLES FROM EXCHANGE TRANSACTIONS

	2024/25	2023/24
	R'000	R'000
Salary related payables	338	337
Sundry payables	8 508	6 876
Trade payables	1 384	2 059
Other accrued expenses	3 598	1 890
Leave accrual	3 526	2 927
Total payable from exchange transaction	8 846	7 213

All the payables from exchange transactions are classified as financial instruments.
The effect of discounting was considered and found to be immaterial.

8. PROVISIONS

	Opening Balance	Over/under Provision	Addition	Paid/ Reversed	Closing alance
	R'000	R'000	R'000	R'000	R'000
2024/25 Year ended 31 March 2025					
Levies incorrectly received*	1 455	-	162	-	1 617
Provision for incentive bonus**	12 873	172	13 828	(13 046)	13 827
Provision for discretionary grant expenditure ****	152	-	301	(152)	301
Total as at 31 March 2025	14 480	172	14 291	(13 198)	15 745

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

8. PROVISIONS (CONTINUED)

	Opening Balance	Over/under Provision	Addition	Paid/Reversed	Closing Balance
	R'000	R'000	R'000	R'000	R'000
2023/24 Year Ended 31 March 2024					
Levies incorrectly received*	1 544	-	-	(89)	1 455
Provision for incentive bonus**	12 500	(3 000)	12 382	(9 009)	12 873
Levy funds received in excess of allocation per levies files***	33 770	-	-	(33 770)	-
Provision for discretionary grant expenditure ****	37 586	-	152	(37 586)	152
Total as at 31 March 2024	85 400	(3 000)	12 534	(80 454)	14 480

*In terms of Skills Development Circular No. 09/2013, issued by DHET on 25 August 2013, SETAs are able to utilise exempted amounts contributed after the expiry date of five years as stipulated in terms of section 190(4) of the Tax Administration Act. These amounts have been transferred to the discretionary funds in line with the aforementioned circular. the timing of settlement of this provision is uncertain as it is dependent on the operation of the SARS collection system.

**The quantum and timing of payment of incentive bonus will be considered and approved by the board subsequent to year-end.

The BANKSETA policy provides for payments of bonus by 30 September of the following year. However due to the requirement for a board decision the timing is uncertain.

***Levy funds received in excess of allocations per levies files refers to the amount of levies which BANKSETA received in excess of the levy amounts substantiated in the levy files.

SARS collects levies from levy payers through the PAYE system. SARS directs the levies to DHET who in turn pay 80% of the levies to funds paid. The BANKSETA await DHET to collect the excess levies on SARS instruction or for the excess amounts to be netted off another period's levy allocation.

The BANKSETA has therefore communicated with DHET and the main levy payers impacted by this to take up the matter with SARS. The timing of the collection of the excess levy funds from BANKSETA is uncertain and is dependent on SARS.

The Tax Act provides for SARS to collect such levies as adjustments within three years. In cases where SARS does not collect these excess amounts within the three years, the BANKSETA may recognise the excess amounts as levy income after three years.

SARS has not corrected the matter which arose in June 2020. Therefore, BANKSETA has recognised the amount as amount as discretionary levies in the Statement of Financial performance.

****The BANKSETA enters into Memoranda of Agreement (MoAs) with stakeholders to deliver skills training and development within their workplaces and institutions of higher education over periods ranging from 6 months to 36 months.

The BANKSETA receives the relevant documents and performance information in regard to this skills development and training including proof that milestones which BANKSETA has contracted to pay for in the MoAs have been achieved.

This provision is for performance information received in regards to training which is still under verification at year end.

The amount of the liability and the timing of the payment are uncertain at the point the annual financial statements were issued due to the verification work still being in process.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

9. ALLOCATION OF NET SURPLUS/(DEFICT) FOR THE PERIOD TO RESERVES:

		Employer Grants Reserve	Discretionary Reserve	Administration Reserve	
	Total per Statement of Financial Performance 2024/25	Mandatory Skills Grant 2023/24	Total Discretionary 2024/25	Administration Reserve 2024/25	Total per Statement of Financial Performance 2023/24
	R'000	R'000	R'000	R'000	R'000
					Restated
Skills development levy: income from non-exchange transactions					
Employer Grant levy income (20%)	286 521	286 521	-	-	265 091
Discretionary Grant levy income (49,5%)	709 342	-	709 342	-	689 760
Admin levy income (10,5%)	150 456	-	-	150 456	139 156
Skills development levy: penalties and interest income from non-exchange transactions	3 591	-	3 591	-	1 812
Skills development levy: income from non-exchange transactions	1 149 910	286 521	712 933	150 456	1 095 819
Investment revenue from exchange transactions	95 295	-	95 295	-	98 297
Other revenue from exchange transactions	106	-	-	106	295
Total revenue	1 245 311	286 521	808 228	150 562	1 194 411
Employer grants	(278 028)	(278 028)	-	-	(257 952)
Discretionary grant expenses	(679 136)	-	(679 136)		(863 096)*
Administration expenses	(122 360)	-	-	(122 360)	(103 263)
Total expenses	(1 079 524)	(278 028)	(679 136)	(122 360)	(1 224 311)*
Net Surplus/(Deficit) per Statement of Financial Performance Allocated	165 787	8 493	129 092	28 202	(29 900)*

* Prior year figures are restated as disclosed in note 29.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. SKILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS

	Note	2024/25	2023/24
		R'000	R'000
The total levy income per the Statement of Financial Performance is as follows:			
Net Mandatory Levies received	10.1	286 577	265 091
Deduct: Levy adjustments for receipts from stakeholders below levy threshold		(56)	-
Levy income : Mandatory		286 521	265 091
Net Discretionary Levies received	10.1	709 428	655 990
Deduct: Levy adjustments for receipts from stakeholders below levy threshold		(86)	-
Levy forfeited		-	33 770
Levy income: Discretionary Grants		709 342	689 760
Net Discretionary Levies received	10.1	150 476	139 156
Deduct: Levy adjustments for receipts from stakeholders below levy threshold		(20)	-
Levy income: Administration		150 456	139 156
Total levies income		1 146 319	1 094 007

The BANKSETA may receive levies from stakeholders whose payrolls are below the R500,000 per annum levy threshold. These levies may only be refunded by SARS through the levy system.

The BANKSETA raises a provision for these levies received which are from stakeholders below the levy threshold.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

10. SKILLS DEVELOPMENT LEVY INCOME FROM NON-EXCHANGE TRANSACTIONS (CONTINUED)

10.1. Adjustments - Levy Reversals Adjustments from prior year and Adjustments for levies received below the levy threshold

Prior year levy adjustments are reversals of levy income recognised in prior years. These adjustments may arise from SARS own internal review processes or objections/appeal processes and restatements made by the levy payer. SARS and DHET inform the SETA about levies received and any levy reversals through the levy download files. SARS reverses the levies sent to the SETA in prior years for the impacted levy payers, and pays the SETA current year levies net of all prior year reversals.

Such levy reversals or adjustments are treated as changes in accounting estimates and adjusted prospectively.

	Note	2024/25	2023/24
		R'000	R'000
Mandatory/employer levies received gross		287 120	265 069
Deduct: Prior year levy adjustments included in levy receipts		(543)	22
Net mandatory/employer levies received	10	286 577	265 091
Discretionary Levies Received gross		710 672	655 935
Deduct: Prior year levy adjustments included in levy receipts		(1 244)	55
Net discretionary levies received:	10	709 428	655 990
Administration levies received: gross		150 742	139 144
Deduct: Prior year levy reversal adjustments included in levy receipts		(266)	12
Net administration levies: received	10	150 476	139 156

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

11. SKILLS DEVELOPMENT LEVY PENALTY AND INTEREST INCOME FROM NON-EXCHANGE TRANSACTIONS

	Note	2024/25	2023/24
		R'000	R'000
Skills development levy penalties and Interest income - current year		3 591	1 812
Total Skills development levy penalties and Interest income		3 591	1 812

Reversals of penalties of R3 000 (2023/24 RNil) were netted off penalties and interest income during the year.

12. INVESTMENT REVENUE FROM EXCHANGE TRANSACTION

	Note	2024/25	2023/24
		R'000	R'000
Interest Revenue			
Interest revenue from current year received as cash during the year		89 247	91 792
Receivable		6 048	6 505
		95 295	98 297

12.1. Cashflow from interest revenue

Portion of Interest revenue in current year received as cash during the year	89 247	91 792
Portion of interest revenue in prior year received as cash during the current year	6 505	7 276
	95 752	99 068

13. OTHER REVENUE

	Note	2024/25	2023/24
		R'000	R'000
Other revenue comprises:			
Other Income			
Mandatory grants received		86	135
Profit on disposal of property and equipment		20	160
		106	295

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

14. EMPLOYER GRANT AND DISCRETIONARY GRANT EXPENSES

	Note	2024/25	2023/24
		R'000	R'000 Restated
Disbursed		278 037	257 368
Provisions and accruals		(9)	584
Employer grant expenditure		278 028	257 952
Discretionary grant expenditure	18.1	679 136	863 096*
Total employer grant and discretionary grant expenses		957 164	1 121 048

Discretionary grant expenditure is used for discretionary grant projects. Such project expenditure comprises of training grants to stakeholders and higher education institutions, bursaries, stipends and training costs.

Refer to note 18 for more detailed information on these projects.

*Prior year figure restated as disclosed in note 29,

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

15. ADMINISTRATION EXPENSES

	Note	2024/25	2023/24
		R'000	R'000
Advertising, marketing and promotions, communication		2 310	1 040
Allowance for irrecoverable debts		(4)	(36)
Audit Fees		4 772	4 978
External Audit Fees		4 249	3 116
Internal audit fees		523	1 862
Catering at stakeholder meetings		78	67
Consultancy fees		-	275
Cost of employment	15.1	74 420	65 720
Depreciation/Amortisation		3 395	2 945
Depreciation		1 145	954
Amortisation		2 250	1 991
Legal fees		984	383
Maintenance, repairs and running costs - other		226	215
Foreign Exchange Loss		-	71
Operating lease rentals (minimum lease payments)		6 432	4 080
Buildings		6 408	3 964
Equipment		24	116
Quality Council for Trade and Occupations	22.2	7 047	6 224
Qualification development costs		503	6**
Remuneration to members of the Accounting Authority and committees	23.2	3 583	3 124
Board Development Fees		90	85
Research and evaluation costs		78	78
Service provider fees		11 281	8 264
Staff training and development		1 368	849
Travel and subsistence		1 338	1 136
Other		4 459	3 759**
Other administration expenses		3 066	2 705
Printing and stationery		15	259
Telephone costs		653	455
Workshops		725	340**
		122 360	103 263

**Prior year disclosure adjusted in line with current year disclosure.

Refer to the Corporate Governance report for disclosure of the Accounting Authority members.

Notes 23 and 24 details the emoluments of the Accounting Authority members, independent board committee members and the Executive management group.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

15. ADMINISTRATION EXPENSES (CONTINUED)

15.1. Cost of employment

	Note	2024/25	2023/24
		R'000	R'000
Salaries and wages		65 158	57 456
Basic salaries		47 795	45 057
Performance awards		13 995	9 381
Allowances		367	162
Communication allowances		707	751
Leave expense		2 294	1 671
Employee settlement		-	434
		9 262	8 264
Social contributions		1 874	1 672
Medical aid contributions		5 842	5 165
Pension contributions: defined contribution plans		699	641
Risk cover contributions		619	550
Skills Development Levies		79	87
Workmen's Compensation		149	149
UIF			
		74 420	65 720
Allocation of cost of employment			
Administration expenses	15	74 420	65 720
Average number of employees		71	71

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

16. RECONCILIATION OF NET CASH FLOW FROM OPERATING ACTIVITIES TO NET (DEFICIT)

	Note	2024/25	2023/24
		R'000	R'000
Net surplus/(deficit) as per Statement of Financial Performance		165 789	Restated (29 900)*
Adjusted for non-cash items:			
Depreciation/amortisation		3 395	2 945
Allowance for irrecoverable debts		(4)	(36)
Interest accrued at year end		(6 048)	(6 505)
(Profit)/loss on disposal of fixed assets		(20)	(160)
Adjusted for items separately disclosed			
Interest received	12.1	(95 752)	(99 068)
Adjusted for working capital changes:			
(Increase) in receivables from non-exchange transactions		(2 186)	(21 235)*
Decrease in receivables from exchange transactions		4 883	4 578
(Decrease) in payables and provisions		(20 583)	(29 847) *
Cash generated from operations/(utilised in) operations		49 472	(179 228)

*Prior year figures restated

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CONTINGENCIES

17.1 Retention of surplus funds

In terms of the PFMA, all surplus funds as at year-end may be forfeited to National Treasury should an application for retention of surplus be denied.

The total surplus per current legislation is calculated in line with National Treasury instruction no 12 of 2020.

	Note	2024/25	2023/24
		R'000	R'000
			Restated
Cash and cash equivalents at the end of the year		1 185 814	1 042 573
Add: receivables		44 381	41 026*
Less: current liabilities		(164 297)	(184 880)*
Total surplus per current legislation		1 065 898	898 719*

After each year end, SETAs are required to submit their year end surplus retention applications to National Treasury through their Executive Authority, DHET. The surpluses mainly cover discretionary grant commitments entered into, where the work will be undertaken in the following years. The SETA Grant regulations require that SETAs be 95% committed at each financial year end. The SETAs may motivate to DHET to support their application to retain any surpluses if they have not reached this target.

The National Treasury has approved that BANKSETA retain its full prior year surplus

The National Treasury has also approved the utilisation of the 2023/24 surplus to fund discretionary grant expenditure in 2024/25 and future years in line with BANKSETA's application.

BANKSETA's position in regards to commitments not included in the above surplus calculation is as follows:

	Note	2024/25	2023/24
		R'000	R'000
			Restated
Total surplus per current legislation		1 065 898	898 719*
Less: discretionary grant commitments	18	(759 920)	(590 904)*
Uncommitted surplus		305 977	307 815*

*Prior year figure restated as disclosed in note 29.

17.2 First time employer registrations

The Skills Development legislation allows an employer, registering for the first time, 6 months to submit an application for a mandatory grant.

At the reporting date it is estimated that as a result, additional mandatory grant expenditure of R423 000 (2023/24 :R260 000) will be payable. The amount is contingent on the number of submissions received and approved.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CONTINGENCIES (CONTINUED)

17.3 Contingent liability

17.3.1 Contingent liability in regards to mandatory grant percentage

Contingent liability in regards to mandatory grant percentage

In terms of section 4(4) of the SETA grant regulations, the SETA (guided by the Minister) determines the percentages for mandatory and discretionary levies and grants in consultation with the sector. In 2012, the Minister changed the mandatory grant and levy percentage from 50% to 20%. In October 2019, the courts set aside the Minister's 2012 decision to decrease the mandatory grant and mandatory levies portion from 50% to 20%. The courts did not set the new mandatory percentage to be applied from the court decision date onwards. The effect of the ruling is that the Minister would have to decide on the percentage for mandatory grants in consultation with the sector. The Minister has not yet made the decision in regard to the mandatory levy or grant percentage.

The effect of the ruling is that the Minister would have to decide on the percentage for mandatory levies and grants in consultation with the sector. As of year-end, the Minister has not yet made the decision or communicated the process to determine a revised percentage.

DHET continued to show the mandatory levies portion as 20% in 2024/25 year in the levy download information.

The SETA continued to pay and accrue mandatory grants at 20% in the 2024/25 financial year in the absence of a revised percentage, as the 20% level is aligned to the approved annual performance plan. The board ratified the decision to continue to use the 20% level whilst awaiting the Minister's decision.

The mandatory levy income in note 10 and the mandatory grant expenditure in Note 14 as well as the mandatory grant liability in note 7 were calculated using mandatory levy and grant percentage of 20%.

The Skills Branch of DHET has established that there have been no further developments in relation to the BUSA case in the 2024/25 financial year or after year-end that are material to the matters or indicate any direction in regard to this matter.

The SETA therefore discloses a contingent liability in regard to the amount of the mandatory grants payable to qualifying levy payers.

This is disclosed as a liability as the intention of the litigants, BUSA, was to increase the mandatory grant percentage from 20%.

The timing of this contingent liability is uncertain. Currently the department is in discussions with BUSA in regard to the mandatory grant percentage.

DHET has also gazetted legislation for public comment which introduces a 15% workplace skills grant from 2024 /25 year onwards to employers with approved workplaces.

The contingent liability amount cannot be determined for the contingent liability as no percentage has yet been declared by the Minister.

No reliable estimate can be made of the contingent liability due to uncertainty of the new rate and the effective date of application of any new rate.

The BANKSETA has limited uncommitted reserves of R305 977 000 (2023/24 - R307 815 000) to cover any liability after year end. Should the outcome be that the BANKSETA must pay mandatory grants at a higher level since the court decision, the BANKSETA would be able to cover the amounts due to the long term payment schedules for discretionary grant commitments.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

17. CONTINGENCIES (CONTINUED)

17.3.2 Contingent liability in regards to employee claims

The BANKSETA is facing a claim from a former employee for unfair dismissal.

The case is contingent on the outcome of an external labour arbitration processes which should be completed within the next 12 months. An estimate of the contingent liability is R3 776 000.

17.3.3 Contingent liability in regards to project related claims

The BANKSETA has received correspondence from a training provider naming BANKSETA as a co-defendant in a claim against a municipality. BANKSETA had funded the training at the municipality which all training provider did work on. BANKSETA had fulfilled all its obligations per the agreement signed with the municipality. BANKSETA awaits further information to determine any contingent liability.

17.4 Contingent Commitments

In certain cases, the SETA enters into multi-year discretionary grant contracts to fund future training whereby only the certain years' amounts are unconditional and future years' amounts are dependent on several suspensive conditions which normally include satisfactory execution of the delivery by the service provider, the SETA's continued need for the service, the availability of funds for that year and approval by the board.

There were no contingent commitment balances in the 2024/25 year and the prior year.

In 2024/25 year, the BANKSETA entered into discretionary grants contract with a value of R182 265 000 for internship projects in which BANKSETA agreed that the contracts can be extended if budget is available. Such extension and amounts were not agreed upon, although the name of the project implied that the extension will be for a further two years. BANKSETA has uncommitted reserves of R305 977 000 at year end. No decision has been made in regard to allocating any of this uncommitted budget to this project.

18. COMMITMENTS

18.1 Discretionary reserve

Of the balance of R1 065 475 000 (31 March 2024 restated - R898 459 000) available in the discretionary reserve as at 31 March 2025, R759 920 000 (31 March 2024 - restated - R590 904 000) has been committed by the Accounting Authority for future projects and skills priorities shown below.

Note that the definition of commitments by the Accounting Authority includes signed contracts and memoranda of agreements up to 31 March 2025.

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18. COMMITMENTS

Project Name	Project number	Opening Balance 31 March 2023	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
MARKETING				Restated				
Career Development Teachers	740 /760 / 756	635	-	635	-	-	(597)	
Total Marketing Programmes		635	-	635	-	-	(597)	
PROGRAMME: RESEARCH								
Research and Benchmarking- Research Chairs Funding	644	865	-	865	-	-		
Gender Based Violence Partnership	688	2 572	-	2 572		-	(1 078)	
Research and Benchmarking 2022 - 23	0701	2 926	(247)	2 679	-	-	(2 133)	
Doctoral and Post-Doctoral Funding Window 2022	07420	552	-	552	-	-	(665)	
Impact Assessment and Tracer Studies Services	0748	-	-	-	3,583		(623)	
Total Research Programmes		6 915	(247)	6 668	3 583	-	(4 499)	

PROGRAMME: QUALITY ASSURANCE								
Occupational Qualification Assessment Methodology Implementation		0743	-	-	-	-	-	
Total Quality Assurance Programmes			-	-	-	-	-	

* Prior year figures are restated as disclosed in note 29.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Adjustments for Increases to Existing Contracts 2024/25	Expensed and stipends Prepaid 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(38)	-	-	-	-	-	--		-
	(38)	-	-	-	-	-	-	-	-
	-	865	-	865	-	-	(865)	-	-
	-	1 494	-	1 494	-	-	(738)	-	756
	(29)	517	-	517	-	-	(517)	-	-
	113	-	-	-	-	-	-	-	-
	-	2 960	-	2 960	-	-	(885)	-	2 075
	84	5 836	-	5 836	-	-	(3 005)	-	2 831

-	-	-	-	-	5 080	-	(1 952)	-	3 128
-	-	-	-	-	5 080	-	(1 952)	-	3 128

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: SKILLS DEVELOPMENT								
PIVOTAL: Grant Funding Window	668	40 745	(24 479)	16 266	294	-	(314)	
PIVOTAL Grant Funding Window for Employed	686	22 667	(9 989)	12 678	53	-	(952)	
PIVOTAL Grants Funding Window 2020/2021	690	5 200	(1 240)	3 960	-	-	(720)	
PIVOTAL Grant Funding Window 2021	699	1 400	-	1 400	-	-	-	
Leadership Development Programme	706	9 200	791	9 991	-	-	(4 676)	
PIVOTAL Grant Funding Window 2021	707	56 228	(38 499)	17 729	-	-	(4 064)	
PIVOTAL Grant Funding Window - Employed	0707	3 291	-	3 291	1 763	-	-	
IT Skills Funding Window 2021-22	709	234	(98)	136	-	-	-	
PIVOTAL Funding Window 2022/2023	727	443	-	443	-	-	-	
Online Short Courses Funding Window 2022/2023	730	502	-	502	-	-	-	
IT Skills Funding Window 2022-23	731	387	(28)	359	-	-	(199)	

* Prior year figures are restated as disclosed in note 29.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Expensed and stipends Prepaid 2024/25	Charged to statement of financial performance 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(16 246)	-	-	-	-	-	-	-	-
	(11 779)	-	-	-	-	-	-	-	-
	(3 240)	-	-	-	-	-	-	-	-
	(1 064)	336	-	336	-	-	(176)	(160)	-
	-	5 315	-	5 315	-	-	(4 939)	(376)	-
	(13 665)	-	-	-	-	-	-	-	-
	(3 085)	1 969	-	1 969	-	-	(98)	(1 871)	-
	(136)	-	-	-	-	-	-	-	-
	(443)	-	-	-	-	-	-	-	-
	(502)	-	-	-	-	-	-	-	-
	(160)	-	-	-	-	-	-	-	-

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18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: SKILLS DEVELOPMENT (CONTINUED)								
Reskilling Funding Window 2022-23	732	10 634	(4 981)	5 653	22 558	-	(11 972)	
Doctoral and Post-Doctoral Funding Window 2023	0742	178	-	178	-	-	-	
Skills for Future: Scholars 2022-23	733	2 025	-	2 025	-	-	(1 964)	
PIVOTAL Grant Funding Window - Employed	0744	65 541	(15 778)	49 763	56 073	-	(39 667)	
Online Short Courses Funding Window 2023/24	0752	-	-	-	8 970	-	(2 700)	
PIVOTAL Grant Funding Window 23/24	0757	-	-	-	178 213	-	(47 306)	
Reskilling Funding Window 2023/24	0758	-	-	-	12 100	-	(4 137)	
IT Skills Funding Window 2023/24	0759	-	-	-	8 933	-	(2 734)	
Doctoral and Post-Doctoral Funding Window	0764	-	-	-	2 436	-	(1 488)	
2024/25 Learnerships	0777	-	-	-	-	-	-	

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	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Expensed and stipends Prepaid 2024/25	Charged to statement of financial performance 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(4 640)	11 599	-	11 599	-	-	(8 289)	(2 152)	1 158
	(178)	-	-	-	-	-	-	-	-
	(61)	-	-	-	-	-	-	-	-
	(40 093)	26 076	(40)	26 036	-	-	(7 053)	(16 729)	2 254
	-	6 270	-	6 270	-	-	(2 037)	(3 029)	1 204
	(13 536)	117 371	(3 752)	113 619	568	-	(37 684)	(66 599)	9 904
	-	7 963	-	7 963	-	-	(4 867)	(2 250)	846
	(2 059)	4 140	-	4 140	-	-	(961)	(2 855)	305
	-	948	-	948	60	-	(952)	(56)	-
	-	-	-	-	100 809	-	(44 442)	(23 095)	33 272

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18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: SKILLS DEVELOPMENT (CONTINUED)								
2024/25 Bursaries	0778	-	-	-	-	-	-	
Workers enrolled in Bursary Programmes/ Number of Workers Completing Bursary Programmes	0779	-	-	-	-			
Workers Granted Bursaries (continuing)	779	-	-	-	-	-	-	
Grant Funding Window - Employed 2024/25	0780	-	-	-	-	-	-	
2024/25 Special Project no 1	0781	-	-	-	-	-	-	
Skills Development Initiatives for Gr 12 And Career Development Workshops (Digital Literacy)	0785	-	-	-	-	-	-	
Total Skills Development		218 675	(94 301)	124 374	291 393	-	(122 893)	

* Prior year figures are restated as disclosed in note 29.

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	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Expensed and stipends Prepaid 2024/25	Charged to statement of financial performance 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	-	-	-	-	23 499	-	(8 276)	(11 668)	3 555
		-	-	-	2 127	-	(1 007)	772)	348
	-	-	-	-	14 837	-	(4 729)	(8 065)	2 043
	-	-	-	-	2 860	-	(1 225)	(818)	817
	-	-	-	-	67 774	1 432	(22 199)	(17 486)	29 521
	-	-	-	-	23 709	-	(1 780)	(3 291)	18 638
	(110 887)	181 987	(3 792)	178 195	236 243	1 432	(150 733)	(161 272)	103 865

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023 as previously reported	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: YOUTH								
TVET WIL Funding Window	697	32 822	(31)	32 791	-	-	(26 821)	
BANKSETA Higher Education Funding Window 2021/22	698	385	(385)	-	-	-	-	
PIVOTAL Grant Funding Window 2021	0699	4 501	(1 447)	3 054	240	-	(1 968)	
Letsema and Kuyasa Projects	702 and 0726	7 890	-	7 890	-	-	(4 930)	
Presidential Youth Programme TVET Placement	0723	9 620	-	9 620	-	16 680	(16 315)	
Internship Funding Window 2022	0725	286 860	-	286 860	-	15 249	(195 917)	
PIVOTAL Funding Window 2022/2023	0727	23 255	1 042	24 297	516	-	(14 292)	
TVET Funding Window	734	35 545	(1 367)	34 178	-	-	(26 712)	
University of Technology (UoT) Funding Window	735	11 425	-	11 425	-	-	(6 650)	
Maths & Science Support Programme 2022/23	736	9 800	-	9 800	-	-	(9 542)	
Higher Education Institution (HEI) Funding Window 2022-23	0741	1 866	(113)	1 753	-	-	(1 434)	
ICT Skills Programme	0745	23 945	(1 259)	22 686	-	-	(17 817)	
Letsema Kuyasa :	0749	-	-	-	49 659		(4 850)	

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Adjustments for Increases to Existing Contracts 2024/25	Expensed and stipends 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(5 970)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	(1 326)	-	-	-	-	-	-	-	-
	(2 960)	-	-	-	-	-	-	-	-
	(9 985)	-	-	-	-	-	-	-	-
	(1 815)	104 377	-	104 377	-		(24 756)	(79 621)	-
	(8 572)	1 949	(67)	1 882	-		(470)	(1 026)	386
	(220)	7 246	4 711	11 957	-		(6 461)	(5 496)	-
	(4 775)	-	-	-	-	-	-	-	-
	(258)	-	-	-	-	-	-	-	-
	(319)	-	-	-	-	-	-	-	-
	(4 869)	-	-	-	-	-	-	-	-
	-	44 809	-	44 809	-	-	(42 157)	(2 351)	301

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023 as previously reported	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: YOUTH (CONTINUED)								
PIVOTAL Grant Funding Window Unemployed	0750	-	-	-	66 499	70 869	(70 186)	
Skills Development Initiatives for Gr 12 : Digital Literacy	0751	-	-	-	15 934	-	(10 754)	
TVET Funding Window	0753	-	-	-	79 380	-	(39 690)	
UoT WIL Funding Window	0754	-	-	-	31 739	-	(14 482)	
Higher Education Funding Window 2023/24	0755	-	-	-	73 080	3 722	(73 099)	
Higher Education Funding Window 2023/24	0767	-	-	-	7 264	-	-	
TVET funding Window 2024/25	775	-	-	-	-	-	-	
UoT WIL Funding Window 2024/25	776	-	-	-	-	-	-	
PIVOTAL Grant Funding Window Unemployed 2024/25 no 1	0772	-	-	-	-	-	-	

* Prior year figures are restated as disclosed in note 29.

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

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	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Adjustments for Increases to Existing Contracts 2024/25	Expensed and stipends 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(2 700)	64 482	(1 084)	63 398	-	84	(30 089)	(17 791)	15 602
	(645)	4 535	-	4 535	-	-	(3 937)	(598)	-
	(1 204)	38 486	7 480	45 966	-	-	(27 160)	-	18 806
	-	17 257	-	23 450	-	-	(18 262)	(5 188)	-
	(3 703)	-	-	-	-	-	-	-	-
	-	7 264	-	7 264	128 123	48 006	(96 715)	(7 882)	78 796
	-	-	-	-	184 983	-	(80 117)	-	104 866
	-	-	-	-	50 797	-	(23 336)	-	27 461
	-	-	-	-	133 363	-	(53 851)	(28 114)	51 368

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023 as previously reported	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: YOUTH (CONTINUED)								
PIVOTAL Grant Funding Window Unemployed 2024/25 no 2	0773	-	-	-	-	-	-	
PIVOTAL Grant Funding Window Unemployed 2024/25 no 3	0774	-	-	-	-	-	-	
Internship Funding Window (3 years)	0784	-	-	-	-	-	-	
Total Youth		447 914	(3 560)	444 354	324 311	106 520	(535 459)	

* Prior year figures are restated as disclosed in note 29.

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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Adjustments for Increases to Existing Contracts 2024/25	Expensed and stipends 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	-	-	-	-	56 894	-	(18 101)	(8 640)	30 153
	-	-	-	-	1 512	-	(714)	(606)	193
	-	-	-	-	182 264	-	-	-	182 264
	(49 321)	290 405	17 233	307 638	737 936	48 090	(426 126)	(157 342)	510 196

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023 as previously reported	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: INCLUSIVE BANKING/ SMEs								
Entrepreneurship Funding Window 2021/22	711	4 607	-	4 607	-	-	(4 162)	
Rural Development support	713	8 000	-	8 000	-	-	(8 000)	
SME CFI Funding Window 2022/23	737	4 719	(3 114)	1 605	28	-	(1 448)	
Economic Reconstruction and Recovery Plan (ERRP) Funding Window	738	-	-	-	41 246	-	(16 562)	
Entrepreneurship Funding Window	746	32 161	-	32 161	-		(28 628)	
SME-CFI Funding Window	760	-	-	-	2 614	-	(7)	
Entrepreneurship Funding Window	761	-	-	-	26 605	-	-	
IEDP in Development Finance	763	-	-	-	16 370	-	(3 954)	
CFI Funding Window 2024/25	769	-	-	-	-	-	-	
SME Funding Window 2024/225	770	-	-	-	-	-	-	
Entrepreneurship Development Funding Window 2024/25	771	-	-	-	-	-	-	
Rural Development Project	782	-	-	-	-	-	-	
Total Inclusive Banking/SME Programmes		49 487	(3 114)	46 373	86 863	-	(62 761)	

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Adjustments for Increases to Existing Contracts 2024/25	Expensed and Stipends Prepaid 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	(445)	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-
	(178)	7	-	7	-	-	(7)	-	-
	-	24 684	-	24 684	-	-	(17 500)	(1 194)	5 991
	(3 533)	-	-	-	-	-	-	-	-
	-	2 607	-	2 607	-	-	(1 271)	(1 335)	1
	-	26 605	-	26 605	6 600	-	(30 703)	(2 413)	90
	-	12 416	-	12 416	-	-	(12 416)	-	-
	-	-	-	-	845	-	(808)	(11)	26
	-	-	-	-	10 762	-	(1 750)	(202)	8 810
	-	-	-	-	13 842	-	-	-	13 842
	-	-	-	-	9 474	-	(4 737)	-	4 737
	(4 156)	66 319	-	66 319	41 523	-	(69 192)	(5 155)	33 497

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
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NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

Project Name	Project number	Opening Balance 31 March 2023 as previously reported	Restatement	Restated Opening balance 31 March 2023*	New Commitments Approved 2023/24	Adjustments for Increases to Existing Contracts 2023/24	Expensed and stipends Prepaid 2023/24	
		R'000	R'000	R'000	R'000	R'000	R'000	
PROGRAMME: STRATEGIC PROJECTS								
Indlela/ National Artisan Development	729	11 271	-	11 271	-	-	-	
Universities South Africa (USAF)	729	69 236	-	69 236	-	-	(57 097)	
Partnerships	729	98 455	4 112	102 567	-	-	(93 619)	
DEDAD Partnership	729	19 002	-	19 002	-	-	(2 541)	
INDLELA/NAD - WSZA	729	4 807	-	4 807	-	-	-	
Strategic projects for 729	729	202 771	4 112	206 883	-	-	(153 257)	
Strategic Projects 2023/2024	765	-	-	-	-	-	-	
Strategic Projects 2024/2025	786	-	-	-	-	-	-	
Total Strategic projects 2023/24 and 2024/25		-	-	-	-	-	-	
Total Commitments		926 398	(97 110)	829 288	706 150	106 520	(879 466)	

BANKING SECTOR EDUCATION AND TRAINING AUTHORITY
ANNUAL FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2025

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

	Write Backs and Other adjustments 2023/24	Closing Balance 31 March 2024	Restatement	Restated Opening balance 31 March 2024	New Commitments Approved 2024/25	Adjustments for Increases to Existing Contracts 2024/25	Expensed and Stipends Prepaid 2024/25	Write Backs and Other adjustments 2024/25	Closing Balance 31 March 2025
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
	-	11 271		11 271	-	-	-	(11 271)	-
	(12 139)	-		-	-	-	-		-
	(7 198)	1 750		1 750	-	-	(1 487)	(263)	0
	(1 374)	15 087		15 087	-	-	(8 294)	-	6 793
	-	4 807		4 807				(4 807)	-
	(20 711)	32 915		32 915	-	-	(9 783)	(16 341)	6 793
	-	-	-	-	28 413		(11 586)		16 827
	-	-	-	-	82 782	-	-	-	82 782
	-	-	-	-	111 195	-	(11 586)	-	99 609
	(185 029)	577 463	13 441	590 904	1 131 977	49 522	(672 375)	(340 108)	759 920

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

	Note	2024/25	2023/24
		R'000	R'000
18.1 Reconciliation of Project Expenditure			Restated
Discretionary grant project expenditure (per commitments table)		672 375	879 466*
Add/ (Less) Adjustments for funding paid classified as prepayments for following years		(26 465)	(47 863)*
Less: Prior year prepayments expensed in current year		47 863	26 058
Less: amount in non-exchange payables in prior year		(18 383)	-
Correct prior year expenditure errors		-	2 116*
Total adjustments for prior year errors		3 015	(19 689)*
Net discretionary grant project expenditure on commitments		675 390	859 777
Split into			
Discretionary grant project direct expenditure		652 773	848 076
Discretionary grant project admin expenditure - contractual and included in commitments		22 617	31 389
Net discretionary grant project expenditure on commitments		675 390	859 777
Discretionary grant project admin expenditure - non contractual (not in commitments analysis)		3 746	3 319
Discretionary Grant Total project expenditure	14	679 136	863 096*
Discretionary grant project admin expenditure			
Discretionary grant project admin expenditure - contractual and included in commitments		22 617	31 389
Discretionary grant project admin expenditure - non contractual (not in commitments analysis)		3 746	3 319
Total Discretionary grant project admin expenditure		26 363	34 708

*Prior year figures are restated as disclosed in note 29.

18.2 Other Commitments Capital Expenditure

	Note	2024/25	2023/24
		R'000	R'000
Intangible Assets		-	1 602
Total		-	1 602
Split between			
Not later than one year		-	1 602
Later than one year and not later than five years		-	-
Total		-	1 602

During the 2022/23 year, BANKSETA entered into a contract ending in 2026 to purchase ICT licences and ICT services, The ICT licences are classified as intangible assets. The agreement ended on 31 March 2026.
There are no outstanding amounts on this agreement.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

18. COMMITMENTS (CONTINUED)

18.3 Operating leases

Total of future minimum lease payments under non-cancellable leases:

	Note	2024/25	2023/24
		R'000	R'000
Not later than one year		5 090	4 275
Later than one year and not later than five years		23 552	4 680
Later than five years		440	1 182
		29 082	10 137

The BANKSETA entered into operating leases in 2020 for its head office in Centurion, Gauteng and two regional offices, one being in Polokwane and the other in East London. The BANKSETA signed a lease addendum in March 2025 to increase the space it occupies in the Centurion Head Office. The two regional office leases are until the current BANKSETA licence expires in March 2030. The head office lease expires in 30 April 2030, as BANKSETA chose not to exercise an early termination option in May 2025. The Head office lease also has a renewal option.

The annual escalations in all the office lease agreements are 6%.

The BANKSETA also participated in a transversal contract under National Treasury for printers in April 2021 which ends in April 2026 for a printer. There is no annual escalation in the printer lease agreement.

19. MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE

The BANKSETA has incurred the following losses due to criminal conduct.

	Note	2024/25	2023/24
		R'000	R'000
From various stakeholders participating in discretionary grant projects and from criminal activities		23 173	1 895

Fruitless and wasteful expenditure

The BANKSETA started investigating in 2023/24 possible fruitless and wasteful expenditure due to possible criminal conduct whereby stakeholders misrepresented their employees and training work done.

In 2024/25 the BANKSETA finalised the investigation and recognised the amounts shown above.

In addition the BANKSETA incurred a loss due to criminal activities in regarding to bank payment fraud.

19.1 Irregular expenditure and fruitless and wasteful expenditure

	Note	2024/25	2023/24
		R'000	R'000
Irregular expenditure		-	-
Fruitless and wasteful expenditure		23 173	1 895
Closing Balance		23 173	1 895

The BANKSETA has not incurred any irregular expenditure during the 2024/25 year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

19 MATERIAL LOSSES THROUGH CRIMINAL CONDUCT, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE (CONTINUED)

Opening Balances

The presentation of both current year and prior year amounts has been aligned with the National Treasury Instruction no 4 of 2022/23 .

The opening balances and other information are shown in the PFMA Compliance section of the annual report.

20. FINANCIAL INSTRUMENTS

In the course of the SETA operations it is exposed to interest rate, credit, liquidity, market risk and currency risk. The SETA has developed a comprehensive risk strategy in terms of Treasury Regulation 28.1 in order to monitor and control these risks. The risk management process relating to each of these risks is discussed under the headings below.

20.1. Interest rate risk

The SETA manages its interest rate risk by effectively investing SETA surplus cash in term or call deposits with different financial institutions according to the SETA's investment policy.

The SETA's exposure to interest rate risk and the effective interest rates on financial assets at Statement of Financial Position date as well as carrying amounts for each category of financial instruments are as follows:

	At Amortised Cost			
	Interest Bearing		Non-interest Bearing	TOTAL
	Amount R'000	Effective Interest Rate	Amount R'000	R'000
2024/25 Year End - 31 March 2025				
Assets				
Cash and cash equivalents	1 185 811	8.52%	3	1185 814
Other accounts receivable	-	-	10 008	10 008
Total financial assets	1 185 811	8.52%	10 012	1 195 823
Liabilities				
Trade and other payables	-	-	108 099	108 099
Total financial liabilities	-	-	108 099	108 099
2023/24 Year End - 31 March 2024				
Assets				
Cash and cash equivalents	1 042 569	8.71%	4	1 042 573
Other accounts receivable	-	-	10 295	10 295
Total financial assets	1 042 569	8.71%	10 299	1 052 868
Liabilities				
Trade and other payables	-	-	167 888	167 888
Total financial liabilities	-	-	167 888	167 888

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

20.2. Liquidity risk

Liquidity risk is the risk that the entity could experience difficulties in meeting its commitments to creditors as financial liabilities fall due for payment.

The BANKSETA is exposed to liquidity risks as it has outstanding obligations to make payments to levy-paying employers and training providers for training that has been completed and also payments to trade creditors and staff for goods delivered and services rendered.

The SETA manages liquidity risk through proper management of working capital, capital expenditure and review of cashflows against budgeted cashflows as detailed in the finance policies. Adequate reserves and liquid resources are also maintained.

20.3 Fair values

The SETA's financial instruments consist mainly of cash and cash equivalents, receivables from exchange and non-exchange transactions and payables from exchange and non-exchange transactions. No financial instruments were carried at an amount in excess of its fair value. The following methods and assumptions are used to determine the fair value of each class of financial instrument:

20.4 Ageing of financial assets and liabilities

The ageing of receivables from exchange transactions

	2024/25		2023/24	
	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	10 008	-	10 295	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	8	(8)	8	(8)
Total receivables	10 016	(8)	10 303	(8)

The ageing of cash and cash equivalents:

	Gross R'000	Impairment R'000	Gross R'000	Impairment R'000
Not past due	1 185 814	-	1 042 573	-
Past due 0 - 30 days	-	-	-	-
Past due 31 - 120 days	-	-	-	-
Past due 120 - 365 days	-	-	-	-
More than one year	-	-	-	-
Total cash and cash equivalents	1 185 814	-	1 042 573	-

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

The ageing and carrying amounts of each category of financial liabilities is as follows:

	Carrying Amount	Contractual Cash Flows	6 Months or Less	6 - 12 Months	1 - 2 Years	More than 2 Years
	R'000	R'000	R'000	R'000	R'000	R'000

2024/25 Year End - 31 March 2025

Trade and other payables from exchange transactions	(8 846)	(8 846)	(8 846)	-	-	-
Trade and other payables from non-exchange transactions	(99 252)	(99 252)	(99 252)	-	-	-

Year End 2023/24- 31 March 2024

Trade and other payables from exchange transactions	(7 213)	(7 213)	(7 213)	-	-	-
Trade and other payables from non-exchange transactions	(163 187)	(163 187)	(163 187)	-	-	-

*Prior year figures are restated as disclosed in note 30.

In case of liquidity challenges, funding resources might be available subject to DHET and National Treasury approval, for borrowing requirements in the open market.

20.5 Credit risk

The SETA limits its treasury counter-party exposure by only dealing with well-established financial institutions approved by National Treasury.

The SETA's exposure is continuously monitored by the Accounting Authority.

Credit risk with respect to levy paying employers is limited due to the nature of the income received. The SETA's concentration of credit risk is limited to the banking industry in which the SETA operates. No events occurred in the banking industry during the financial period that may have an impact on the accounts receivable that has not been adequately provided for.

The SETA is exposed to a concentration of credit risk, as significant amounts of income flows through the South African Revenue Service (SARS). This concentration of risk is limited as SARS is a government entity with sound reputation. Accounts receivable are presented net of allowance for irrecoverable debt.

20.6 Exposure to credit risk

The carrying amounts of financial assets that represent the maximum exposure to credit risk are as follows and approximates the fair value.

20.7 Credit quality

The credit quality of the financial assets are sound.

Cash and cash equivalents are mainly fixed deposits at the well-established financial institutions approved by National Treasury. No security is held for these items.

Receivables from exchange transactions is mainly the interest due on these fixed deposits which is capitalised in following months and deposits on office accommodations with reputable well established companies as well as deposits with the Sheriffs Office.

Receivables from non-exchange companies arise from reversals from SARS on SDL received and in most cases is recoverable from future SDL receipts.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

20. FINANCIAL INSTRUMENTS (CONTINUED)

	Note	2024/25	2023/24
		R'000	R'000
Cash and cash equivalents		1 185 814	1 042 573
Receivables from exchange transactions		10 008	10 295
		1 195 822	1 052 868

The following methods and assumptions are used to determine the fair value of each class of financial instrument:

Cash and cash equivalents

Cash and cash equivalents comprise cash held by the SETA and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Receivables

The carrying amount of accounts receivable is net of allowance for any doubtful debt, estimated by the Accounting Authority based on prior experience. The carrying amount of these assets approximates their fair value.

Payables

The carrying amount of account and other payables approximates fair value due to the relatively short-term maturity of these financial liabilities.

20.8 Market risk

The SETA is exposed to fluctuations in the employment market. For example, sudden changes in employment or salary rate may impact levy income. The banking sector is also exposed to general market conditions domestically as well as ratings from international agencies. This in turn impacts on the banking sector's profitability and employment within the sector.

Major banks have posted strong results for the 2025 calendar year. However, risks have been highlighted on future impairment costs as the economy struggles.

There was no material reduction in employment within the sector.

BANKSETA's levy income is expected to be at budgeted levels of the remainder of the 2024/25 year and for upcoming 2025/26 year.

The SETA is also exposed to risk due to the expansion of financial technology (Fintech) companies within South Africa.

These FinTech companies use technologies to compete with traditional banking institutions in the delivery of financial services.

These FinTech companies are outside the banking sector. BANKSETA's stakeholders may lose market share to Fintech companies leading to shrinkage in employment in the banking sector and therefore levies.

The new technologies may also allow financial services to be delivered with fewer employees leading to decline in banking sector employment levels, and in turn, levies.

20.9 Currency risk

The SETA minimises its foreign currency transactions and purchases so as to manage its currency risk. Minimal goods and services are sought outside South Africa.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. ACCOUNTING PRONOUNCEMENTS

21.1 Standards and interpretations effective and newly adopted in the current year

21.2 The following GRAP standard that become effective from 1 April 2024 had minimum impact on BANKSETA reporting

Description	Statement
Amendments to Presentation of Financial Statements (revised)	GRAP 1

At the date of authorisation of these financial statements, there are Standards and Interpretations in issue but not yet effective.

These include the following Standards and Interpretations that may be applicable to the SETA and may have an impact on future financial statements.

BANKSETA has not adopted any standards early.

Description	Statement	Effective From
Amendments to Presentation of Financial Statements	GRAP 1	no effective date set
Heritage Assets	GRAP 103	no effective date set
Financial Instruments (Revised)	GRAP 104	1 April 2025
Transfers of Functions Between Entities Under Common Control (Amended)	GRAP 105	no effective date set
Transfers of Functions Between Entities Not Under Common Control (Amended)	GRAP 106	no effective date set
Mergers (Amended)	GRAP 107	no effective date set
Improvements to the Standards of GRAP (2023)	Amendments	no effective date set

An entity shall apply Standards of GRAP for Annual Financial Statements covering periods beginning on or after a date to be “determined by the Minister of Finance in a regulation to be published in accordance with section 91(1)(b) of the PFMA.”

GRAP 1: Amendments to Presentation of Financial Statements

The amendments to this standard expands reporting of going concern assertions and expanded disclosure on the material uncertainties, possible effects of the uncertainties, significant judgements and assumptions made by management. It will not impact BANKSETA's accounting policies or disclosures.

GRAP 103: Heritage Assets (Revised)

The objective of this Standard is to prescribe the accounting treatment of heritage assets and related disclosures requirements.

The BANKSETA has no transactions, assets or liabilities that fall under this standard.

GRAP 104: Financial Instruments (Revised)

This standard prescribes recognition, measurement, presentation and disclosure requirements for financial instruments and makes significant modifications to the principles in the previous standards applied in order to:

- simplify the recognition, measurement and disclosure of financial instruments; and
- accommodate the types of financial instruments entered into in the public sector.

The definitions of the various categories of financial instruments in IAS 39 have been streamlined and replaced which will require BANKSETA to change its accounting policy accordingly.

The following disclosures required under IAS 39 are encouraged but not required:

- The disclosure of fair values for financial instruments.
- Certain disclosures about the use of the fair value using the three tiered hierarchy.
- A market sensitivity analysis.

It is not expected that this standard will significantly impact future disclosures.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

21. ACCOUNTING PRONOUNCEMENTS (CONTINUED)

21.1 Standards and interpretations effective and newly adopted in the current year (Continued)

GRAP 105: Transfer of Functions Between Entities Under Common Control

The objective of this Standard is to establish principles and requirements for the acquires and transferor in a transfer of functions between entities under common control and its effects.

The standard directs recognition and derecognition of assets acquired or received and liabilities assumed at carrying amount.

The difference is recognised in accumulated surplus or deficit.

The BANKSETA currently does have any transactions, assets or liabilities that fall under this Standard.

There are plans to eventually transfer some quality assurance activities to the QCTO.

BANKSETA does not expect any transfer of functions to involve any transfer of assets or liabilities.

The application of this standard is not impacted to have any impact on BANKSETAs reporting or future disclosures.

GRAP 106: Transfer of Functions Between Entities Not Under Common Control

The objective of this Standard is to establish principles and requirements for the acquirer and transferor in a transfer of functions between entities which are not under common control and its effects.

The standard directs recognition and derecognition of assets acquired or received and liabilities assumed at fair amount.

The difference is recognised in accumulated surplus or deficit.

The BANKSETA currently does have any transactions, assets or liabilities that fall under this Standard.

BANKSETA does not expect any transfer of functions between entities not under common control.

GRAP 107: Mergers

The objective of this Standard is to establish principles and requirements for the combined entity and combining entities in a merger and its effects.

The standard is applicable where

- the assets acquired or received and/or the liabilities assumed meet the definition of a function and an acquirer can not be identified in the transaction or event.

The BANKSETA currently does have any transactions, assets or liabilities that fall under this Standard.

Improvement to Standards of GRAP

Various amendments and improvements in standards of GRAP will become effective.

It is expected that these amendments in standards will have no significant impact on future reporting and/or disclosures.

22. RELATED PARTY TRANSACTIONS

Transactions with entities under common control

BANKSETA is a Schedule 3A entity under the executive authority of the Department of Higher Education and Training (DHET). DHET is currently controlled by the Minister of Higher Education and Training.

BANKSETA was controlled by the Department of Labour, for the period from establishment up until 31 October 2009, and since 1

November 2009, by the Department of Higher Education and Training. The Department of Higher Education and Training and the Department of Science and Technology were both placed under the Ministry of Higher Education Science and Innovation in 2019.

In May 2024, the Department of Higher Education and Training was established separate from the Department of Science and Technology.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. RELATED PARTY TRANSACTIONS (CONTINUED)

Transactions with entities under common control (Continued)

By virtue of the fact that BANKSETA is a National Public Entity, related to other entities and departments in the National sphere of government it is considered related to Telkom, Eskom, South African Airways, other SETAs and the National Skills Fund. The transactions are consistent with normal operating relationships between the entities and are undertaken on terms and conditions that are normal for such transactions. Where there were transactions and balances arising due to the movement of funds between entities under the common control of the Department, these amounts are disclosed below:

Except for the QCTO, all transactions with entities under common control occurred within normal client/recipient relationships under terms and conditions that were no more or less favourable than those available to entities in the same circumstances. All transactions are within terms and conditions within the normal operating parameters established by BANKSETA's legal mandate.

As all transactions, except for those with QCTO, are at arm's length BANKSETA is utilising the exemption from disclosure of related party transactions and only discloses the balances outstanding at year end for these related parties.

As all transactions except for those with QCTO, are at arm's length BANKSETA is utilising the exemption from disclosure of related party transactions and only discloses the balances outstanding at year end for these related parties.

22.1 INTERSETA Balances and transactions

The BANKSETA and all other SETAs are public entities under the common control of DHET. InterSETA transactions and balances arise due to the movement of employers from one SETA to another. The BANKSETA may also enter into training partnerships with fellow SETAs to joint fund programs or participate in a training program run by a fellow SETA. These training is mainly skills programs that benefit learners.

The balances at year-end for included in receivables and payables and commitments are

Type of Entity	Nature of Transaction	2024/25			2023/24		
		Amount of the Transaction	Amount Receivable/ (Payable)	Commitment Value At Year End	Amount of the Transaction	Amount Receivable/ (Payable)	Commitment Value At Year End
		R'000	R'000	R'000	R'000	R'000	R'000
Transport SETA	Partnership in a Training Programme	9 156	(9 156)	-	-	(8 750)	1 750
MICT SETA	Stakeholder movement	25	25	-	-	-	-
Total		9 181	(9 131)	-	-	(8 750)	1 750

Note that where ever amounts relating to SETA transfers relating to skills development levies received from employers are shown, these include interest and penalties transferred to or from the SETA wherever applicable..

22.2 QCTO

The BANKSETA and the Quality Council for Trade and Occupations (QCTO) are both public entities under the common control of DHET. In terms of legislation all SETAs contribute amounts annually to the QCTO to fund QCTO's operations. Such amounts should not exceed 0,5% of the annual levies of the SETA. The value of BANKSETA's contribution to the QCTO during the year are included in administration costs disclosed under note 15. The annual contributions by a SETA to QCTO are determined by the Minister and are payable in full in advance on 1 April of each year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. RELATED PARTY TRANSACTIONS (CONTINUED)

22.2 QCTO (continued)

The balances with QCTO as at year-end and prior year end are shown below.

Any commitments to the QCTO are unsecured and there are no guarantees given or received.

Type of Entity	Nature of Transaction	Note	2024/25		2023/24	
			Amount Transferred During the Year	Amount Receivable/ (Payable)	Amount Transferred During the Year	Amount Receivable/ (Payable)
			R'000	R'000	R'000	R'000
QCTO	Contribution towards QCTO operational costs	15	7 047	-	6 224	-

22.3 Public Universities and Universities of Technology (UoTs)

The BANKSETA and the public universities and the universities of Technology are public entities under the common control of DHET.

The BANKSETA funds programs through the public universities and the UoTs as follows:

- bursary programs benefitting learners for both under graduate, post graduate, doctoral and post-doctoral level studies.
- work integrated learning programs benefitting learners and
- research programs including research chairs.
- various skills programs including entrepreneurship programs benefitting learners and stakeholder, and lecturer development programmes.

The year end and prior year end balances payable or receivables and outstanding commitments to the universities and UoTs are shown below.

22.4 Technical and Vocational Colleges (TVETs) and Community Education Training Centres (CET)

The BANKSETA and the TVETs and CETs are public entities under the common control of DHET.

The BANKSETA funds the following programs through the TVETs and CETs.

- bursary programs benefitting learners
- work integrated learning programs benefitting learners
- various skills programs including entrepreneurship programs benefitting learners and stakeholder,

The year end and prior year end balances (payable and/or receivables) and outstanding commitments to the TVETS and CETs are shown below.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. RELATED PARTY TRANSACTIONS (CONTINUED)

22.5 NSFAS

The BANKSETA and the NSFAS are entities under the common control of DHET.
The BANKSETA funds bursary programmes for the benefit of learners through NSFAS.

Type of Entity	Nature of Transaction	2024/25		2023/24	
		Net (Payable)/ Receivable at Year End	Commitment Value at Year End	Net (Payable)/ Receivable at Year End	Commitment Value at Year End
		R'000	R'000	R'000	R'000
NSFAS	Bursaries	(115)	400	-	-

22.6 Indlela/National Artisan Development

The BANKSETA and the Indlela National Artisan Development are entities under the common control of DHET.
The BANKSETA funds training and infrastructure for the benefit of learners through Indlela.
The year end and prior year end balances (payable and/or receivables) and outstanding commitments to Indlela are shown below.

Transactions with entities under common control (excluding QCTO, SAQA and interSETA balances)

Type of Entity	Nature of Transaction	2024/25		2023/24	
		Net (Payable)/ Receivable at Year End	Commitment Value At Year End	Net (Payable)/ Receivable at Year End	Commitment Value At Year End
		R'000	R'000	R'000	R'000
				Restated	Restated
Indlela National Artisan Development	Strategic Projects	-	-	-	16 079
TVETS and CET	Work Integrated Learning Programmes	17 986	124 699	25 482*	58 084*
TVETS and CET	Skills Programmes	(1 478)	11 005	-	10 349
Universities and Universities of Technology	Bursaries	(20 200)	65 723	(36)	13 510
Universities and Universities of Technology	Work Integrated Learning Programmes	762	25 494	(3 535)*	22 083*
Universities and Universities of Technology	Skills Programmes	(2 094)	27 002	(318)	15 341
Universities and Universities of Technology	Research Programmes	-	-	-	1 382
Universities	Lecturer Development	(3)	-	-	-
Subtotal related parties balances and transaction for Project Programmes		(5 027)	253 923	21 543*	136 828*

* Prior year figure restated as disclosed in note 29

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

22. RELATED PARTY TRANSACTIONS (CONTINUED)

22.7 South African Qualifications Authority (SAQA)

The BANKSETA and SAQA are entities under the common control of DHET.

The BANKSETA needs to use SAQA data for learner certification and pays SAQA a nominal fee for this.

Type of Entity	Nature of Transaction	2024/25		2023/24	
		Amount Transferred During the Year	Amount Receivable/ (Payable) at Year End	Amount Transferred During the Year	Amount Receivable/ (Payable) at Year End
		R'000	R'000	R'000	R'000
SAQA	Qualification Development Costs	6	(1)	6	-

23. REMUNERATION OF ACCOUNTING AUTHORITY MEMBERS AND COMMITTEE MEMBERS

23.1 Remuneration of Members of the Accounting Authority and Committee members

The key management personnel (as defined by GRAP 20, Related Party Disclosures) of BANKSETA are:- the members of the accounting authority and the members of the senior management group.

The Accounting Authority consists of members appointed in terms of its constitution. The Chief Executive Officer attends meetings of the Accounting Authority but is not a member of the Accounting Authority.

The aggregate remuneration of members of the Accounting Authority and the number of members receiving remuneration within this category are:

Remuneration of Members of the Accounting Authority and Committee members

	Meeting and Preparation Fees	Ad Hoc Meetings	2024/25	2023/24
	R'000	R'000	R'000	R'000
N Makhanya (Chairperson)	230	297	527	477
M Lekota (left Accounting Authority in 2023/24)	-	-	-	41
D Cedras (Left Accounting Authority in 2023/24)	-	-	-	49
L Selepe	131	88	219	225
M Moodley	140	54	194	158
M Matle	153	117	270	279
N Sekgaphane	181	125	306	239
V Hattingh	237	88	325	264
L Mhlongo	179	174	353	296
L van Pletzen	142	37	179	125
P Landman	247	84	331	276
P Siphuma	114	61	175	155
B Nyakane (Left Accounting Authority in 2023/24)	-	-	-	31
Aggregate remuneration Accounting Authority members	1 754	1 125	2 879	2 615

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

23. REMUNERATION OF ACCOUNTING AUTHORITY MEMBERS AND COMMITTEE MEMBERS (CONTINUED)

23.4 Remuneration of Committee members

	Meeting and Preparation Fees	Ad Hoc Meetings	2024/25 Total	2023/24 Total
	R'000	R'000	R'000	R'000
Remuneration of Independent committee members				
P Dala - Chairperson	168	75	243	210
T Mbatha	74	24	98	66
M Pillay	132	35	167	122
A Latchu (appointed effective 14 June 2023)	138	58	196	111
Aggregate remuneration independent ARC committee members	512	192	704	509
Aggregate remuneration of all members of the Accounting Authority and its Sub-committees	2 266	1 317	3 583	3 124
Number of persons			17	17

24. REMUNERATION OF MEMBERS OF MANAGEMENT

Remuneration of management

The senior management group consists of the SETA's Chief Executive Officer, the Chief Financial Officer and the following General Managers:

General Manager: Operations and General Manager: Corporate Services.

The aggregate remuneration of members of the senior management group and the number of managers receiving remuneration within this category are:

	Basic Salary Remuneration	Post Employment Benefits Pensions	Other Short-term Benefits	Bonuses and Performance Related Amounts**	Total Remuneration	Total Remuneration
	2024/25 R'000	2024/25 R'000	2024/25 R'000	2024/25 R'000	2024/25 R'000	2023/24 R'000
CEO	2 018	249	232	836	3 335	3 089
CFO	1 629	201	120	664	2 614	2 467
GM Operations	1 601	198	150	667	2 616	2 466
GM Corporate Services **	-	-	-	-	-	-
Total	5 248	648	502	2 167	8 565	8 022
Number of persons					3	3

*The GM Corporate Services position has been vacant since February 2022

**The amounts disclosed as bonuses and performance related amounts are provisions. The actual amounts for the financial year are determined after reporting date.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

25 NOTES TO THE STATEMENT OF CHANGES IN NET ASSETS

The administration grant reserve carries accumulated reserves allocated to administration expenditure in future years.

An amount of R3 290 000 (2023/24: R4 682 000) is retained in the administration reserve equal to the carrying value of property and equipment and intangible assets.

The employer grant reserve carries accumulated reserves allocated to mandatory grants (employer grants) expenditure in future years.

An amount of R423 000 (31 March 2024 : R260 000) is disclosed in the employer grant reserve for newly registered member companies, participating after the legislative cut-off date and new scheme year levies received for the year ended 31 March 2025.

Refer to note 17.2 for disclosure of a contingent liability in regard to the mandatory grants.

The discretionary grant reserve carries accumulated reserves allocated to discretionary grants and project expenses in future years.

All surplus funds of the BANKSETA, except for the amounts left in the administration grant reserve and employer grant reserve are swept to the discretionary grant reserve to fund future skills development.

26 GOING CONCERN

The Annual Financial Statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The SETA has a licence till 31 March 2030. There are no legislative and regulatory changes known that would impact BANKSETA's ability to operate as a going concern within the next 12 months.

26.1 BUSA matter in respect of mandatory grant percentage

In 2019, the court struck down the Minister's reduction of the mandatory grants percentage from 50% to 20%. BUSA took this matter to court and the Minister's action was invalidated. No new mandatory percentage was pronounced. The Minister has taken a conciliatory approach to the matter and is currently engaging with BUSA. No developments on this matter can be reported as at year end. The BANKSETA has disclosed a contingent liability in regards to the matter in note 17. The timing and amount of this liability can not be reasonably estimated. Should the BANKSETA have to revert to the previous 50% mandatory grant percentage backdated to the court date, it would have commitments greater than available funds. However, due to timing of the discretionary grants payments being spread over periods up to 18 months, the BANKSETA would be able spread its payments and settle all its liabilities as they fall due. The BANKSETA would also be able to utilise funds from coming months to close any shortfalls.

The BANKSETA would continue as a going concern.

26.2 Surplus retention and approval

The National Treasury approved that BANKSETA retain its 2023/24 full surplus of R965 074 000 in October 2024,

The National Treasury also approved the utilisation of this surplus to fund discretionary grant expenditure in 2024/25 year and future year.

The next surplus retention application is due after the 2024/25 financial year end i.e. after 31 March 2025,

26.3 Combined effect

After assessing the combined effect of all the above, the BANKSETA is expected to continue as a going concern over the next 12 month period.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

27 EVENTS AFTER REPORTING DATE

There are no significant events after the reporting date.

28 NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS

28.1 Budget and adjustments to budget

The BANKSETA Accounting Authority and DHET, the Executive Authority approved the original budget and the revised budget. DHET approved expenditure R34 000 000 higher than what BANKSETA requested for, which was in error. BANKSETA has used the amount approved by its board.

28.1.1 The first revision to 2024/25 budgets of R74 000 000 increased levy income and interest income to align the budget to current levels of income and to allow the utilisation of this 2024/25 income in the same year.

28.1.2 The second revision to the 2024/25 budget of R316 828 000 in Discretionary grants expenditure was based the approval of the 2023/24 surplus by National Treasury. The approved surplus for retention was R 872 000 000 of which BANKSETA planned to utilise R316 828 000 of this in discretionary grants projects for which expenditure was planned in 2024/25 if the projects were implemented per the plan.

Legislation requires that the SETA annually, in August submit a budget for the following year to the Minister for approval. The BANKSETA therefore submitted the budget for 2025/26 financial year and has received approval by the Minister in March 2025.

28.2 Skills Development Levy: Income from non-exchange transactions

The levy receipts for the year were in line with the revised budgets and 8,3% above last years receipts. The major stakeholders in the banking sector posted strong results. This led levy payers to maintain employee numbers and pay bonuses which is reflected in the skills development levy receipts.

28.3 Skills Development Levy: penalties and interest from non-exchange transactions

Income from levy penalties and interest arise when employers fail to comply with taxation legislation, either through late or inaccurate declarations or late payments. The level of such penalties and interest indicates the level of non-compliance in the sector. The level of interest and penalties amounts typically vary significantly year on year. The full amount received is made available for discretionary grant projects. This year period the amount decreased by 97% over the same period in the prior year. The significant increase in this period indicates decline in tax compliance. BANKSETA does not budget for tax non-compliance in the form of penalties and interest.

28.4 Investment Revenue from exchange transactions

Investment revenue from exchange transactions was 36% greater than budget. The interest rate cuts were lower than expected for 2024/25. The rates achieved however were 0,2% below prior year level.

The BANKSETA also has more funds than budgeted as the 2023/24 surplus approval was only received in October 2024 resulting in the BANKSETA not being able to implement all the planned training activities. The investment income in 2024/25 is 3 below the investment income realised in the same period last year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28 NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

28.5 Employer grant

The BANKSETA board approved that BANKSETA continues to pay and calculate mandatory grants at 20% in 2023/24 year, while awaiting any decision on the rate or change in legislation from DHET. The mandatory grant expenditure for the 2024/25 year is 1,9% below budget as there were a few less small employers who did not submit WSPS. It is 8,1% above prior year, in line with the mandatory levies.

The mandatory grant expense ratio stayed at 97,3%.

28.6 Project and discretionary grant expenditure

The discretionary grant expenditure is 42% below the budget for the 2024/25 year.

It is also 20% below prior year.

This decrease in training provision was a result of:

28.6.1 Increased special projects which have broad criteria and experienced delays in completion of the evaluation of the applications and therefore start date.

28.6.2 Non utilisation and under utilisation of funds by stakeholders after approval resulted in funds being written back, with insufficient time to start and conclude re-allocation process.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

28 NOTES TO STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS (CONTINUED)

28.7 Administration expenses

Administration expenditure is limited to 10.5% of levies received. BANKSETA did not exceed this level in the 2024/25 financial year.

Overall administration expenditure is 20% below the revised budget and 16% above prior year.

Expenses	Expenditure (R000's)	Variance to Budget	Explanation
Advertising	163	75% below budget	Tender awards were done in late 2025, therefore the work will only be completed in 2025/26 year. The planned advertising for new staff was delayed into 2025/26 due to challenges on job grading.
Audit Fees Internal	523	67% below budget	Some planned internal audit work was delayed into 2025/26 due to difficulties in obtaining adequate responses when procuring through a panel.
Employment costs (including performance bonuses)	74 420	16% below budget	BANKSETA only managed to find suitable candidates for only 1 of the 4 contractor positions advertised. There are 3 vacancies in the permanent positions during the year and 1 for a contract position. 3 staff members started mid way during the year although the position was funded for the full year. BANKSETA has allocated budget to 30 new positions from June 2024 which are still to be filled and delayed by challenges over job grading.
Board Fees	3 583	13% below budget	BANKSETA has 5 vacancies for board members during the year . BANKSETA is awaiting approval from DHET in regard to 2 of the nominations to fill the vacant positions. Nominations are being sought for the remaining vacancies.
Communications and Marketing Costs	2 310	35% below budget	BANKSETA rescheduled some activities and exhibitions into early 2025/26 to accommodate stakeholders.
Outsourced services	11 281	37% below budget	Several procurement transactions received no acceptable bids meeting the minimum requirements and had to be re-advertised. The work will therefore only start in later in the 205/26 year
Printing and stationery	15	92% below budget	The BANKSETA did not print the Annual Performance Plan and the Sector Skills Plan this year and availed those on the website. BANKSETA's stationery consumption also decreased substantially.
Rent Paid	6 408	21% above budget	There were no acceptable bids for the KZN Office. The tender has been re-advertised in 205/26, The additional space at Centurion will only be available from April 2025. As the BANKSETA had not recruited the additional staff this has not impacted its operations.
Workshop	725	41% below budget	BANKSETA held fewer stakeholders sessions than planned. These sessions are based on stakeholder demand and completion of research work.

In addition, capital expenditure which is funded from admin levies but capitalised was 25% below budget.

The BANKSETA experienced substantial delays in recruitment of new staff due to the job grading. The new staff members and the additional laptops, furniture and fittings and leasehold improvement will only be effected in the 2025/26 year.

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS

Errors arising from the discretionary project processes that impact prior year reporting were discovered which are corrected as follows:

	2024/25
	R'000
29.1 DG Transaction Ommitted	
During 2024/25, it was discovered that the DG expenditure for prior years had been misstated due to three instances of 2023/24 performance information that had been uploaded in 2023/24 via employer portals, but omitted from the performance information register and therefore not processed and paid.	
The BANKSETA therefore understated 2023/24 DG expenditure by	2 116
29.2 DG stipends prepayments	
The BANKSETA pays stipends to certain learners via TVETs and service providers. These learners are mainly under Work Integrated Learning (WIL) projects that are implemented for 18 months.	
The learners receive stipends monthly based on their attendance at the workplace. The stipends amounts are however paid in advance in tranches covering several months to the TVET or service provider. The TVET or service provider accounts for how the prepayment was disbursed to the learners after the agreed period.	
The BANKSETA records all DG expenditure in the performance information registers in line with the financial year in which the work was done. In this case it would be when the learners attended the workplace.	
In 2024/25, errors were discovered in the recording of the financial year the work happened in, whereby the payment was not correctly analysed and there was inadequate reconciliation of the payments to learner disbursements.	
A backward review showed similar challenges in prior years. BANKSETA has therefore corrected this as follows:	
29.2.1 DG stipends prepaid in 2023/24 year that relate to 2024/25 work.	(47 863)
29.2.2 DG stipends prepaid in 2022/23 year that relate to 2023/24 work.	26 058
Net overstatement of DG expenditure of all error	(19 689)
Net overstatement of deficit for 2023/24	(19 689)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS (CONTINUED)

The following figures have been restated in the annual financial statements

In the Statement of Financial Position

The adjustments impacted non-exchange receivables and non-exchange payables as follows.

	As at 31 March 2024		
	Prepaid Expenses (Under Non-exchange Receivables)	Non Exchange Receivables	Total Assets
	R'000	R'000	R'000
As previously stated	-	31	1 058 801
Restatement			
Effect of DG stipend prepayments made in 2022/23 which should be allocated to 2023/24	29 480	29 480	29 480
Restated figures	29 480	29 511	1 088 281

	As at 31 March 2024		
	Project grants payable - Discretionary	Total Payables from Non-Exchange Transactions	Total Liabilities
	R'000	R'000	R'000
As previously stated	160 675	179 454	201 147
Restatement			
Restatement for performance information transactions omitted in 2023/24	2 116	2 116	2 116
Restatement for DG stipends covering the following financial year included in payables	(18 383)	(18 383)	(18 383)
Restated figures	144 408	163 187	184 880

(ii) Statement of Financial Performance

The following figures in the statement of financial performance have been restated as follows

	2023/24 year	
	DG Expenditure	Deficit
	R'000	R'000
As previously stated	882 785	(49 589)
Correction of prepaid project expenditure from 2022/23 year to 2023/24 year	26 058	(26 058)
Correction of prepaid project expenditure from 2023/24 year to 2024/25 year	(47 863)	47 863
Correction of omitted project expenditure	2 116	(2 116)
Net project expenditure restatement/decrease in deficit	(19 689)	19 689
Restated figures	863 096	(29 900)

NOTES TO THE ANNUAL FINANCIAL STATEMENTS

29 PRIOR YEAR ERRORS (CONTINUED)

Statement of Changes in Net Assets

The opening reserves as at 31 March 2023 were restated as follows to correct DG expenditure allocation per year

	As at 31 March 2023	
	Discretionary Reserves	Total Reserves
	R'000	R'000
Year ended 31 March 2023		
As previously stated	902 730	907 243
Restatement		
Net decrease in 2022/23 deficit due to DG expenditure for 2023/24 stipends corrected	26 058	26 058
31 March 2023 Restated figures	928 788	933 301

The opening reserves as at 31 March 2024 were restated as follows to correct DG expenditure allocation per year

	As at 31 March 2023	
	Discretionary Reserves	Total Reserves
	R'000	R'000
Year ended 31 March 2024		
As previously stated	852 712	857 654
Effect of net decrease DG expenditure	47 863	47 863
Effect of increase deficit from 2023/24 year	(2 116)	(2 116)
Net effect	45 747	45 747
31 March 2024 Restated figures	898 459	903 401

29.4 The correction of prior year errors above and other misstatements on write-backs also impacted other notes to the financial statements being mainly.

- commitments note 18 where the effect is disclosed by an adjustment to the opening balances and
- related parties disclosures note 23 where the comparative figures have been restated.

Notes

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Banking Sector Education and Training Authority
ANNUAL REPORT 2024/25
RP164/2025
ISBN: 978-1-77997-861-5

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